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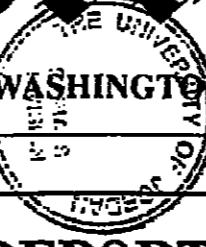
The World's Daily Newspaper

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Paris, Friday, September 11, 1998

No. 35,933

TODAY
TUESDAY
Wednesday
Thursday
Friday
Saturday
Sunday



HOUSE MAY RELEASE COUNSEL'S REPORT TODAY

Starr Said to Allege Series of Crimes and Abuses

By Brian Knowlton
International Herald Tribune

WASHINGTON — The report from the independent counsel Kenneth Starr sets out detailed evidence that prosecutors say will show that President Bill Clinton committed perjury, obstructed justice, tampered with witnesses and abused the power of his office, sources familiar with the report said Thursday.

Asked for comment, a White House spokesman, Joe Lockhart, referred to an earlier statement in which the president's private attorney, David Kendall, said that the Starr report "represents only the prosecutors' allegations." The White House struggled for a delay in the public release of the report as House leaders prepared to post much of it on the Internet as early as Friday.

Unnannounced sources quoted by The Associated

Press said the 445-page document at the heart of Mr. Starr's submission specifically alleges that Mr. Clinton lied under oath in sworn testimony on Jan. 7 in the Paula Jones sexual harassment lawsuit and on Aug. 17, when he testified before the grand jury investigating his relationship with Monica Lewinsky, a former White House intern. The Washington Post described the sense of the report in similar terms.

Meanwhile, House leaders — unprepared Wednesday for the sudden arrival of the report in two matching sets of 18 boxes, one for Republicans and one for Democrats — said they expected the Rules Committee to send to the full House on Friday a motion to place the central portions of the document on the Internet.

That move would allow public examination of the potentially explosive materials. White House attorneys met with leaders of the House Ju-

diciary Committee to plead for a three-day delay while they examine the documents and prepare a public response. Democratic senators, who had met earlier with Mr. Clinton, supported the request and made clear that a refusal by Republican leaders would be viewed as unfair and partisan.

Mr. Clinton has acknowledged an "inappropriate" relationship with Ms. Lewinsky and undertaken in recent days to apologize and seek the forgiveness of his staff, members of Congress, and the public in a variety of forums. He has denied repeatedly, however, that he committed perjury, obstructed justice or asked anyone to lie.

The charges, if they are in fact contained in Mr. Starr's submission, would be serious ones under American law. Several members of Congress have said that such charges would meet the

constitutional standard of "high crimes and misdemeanors" required to begin an impeachment process.

Mr. Clinton himself has appeared increasingly contrite and subdued as the breadth of the battle facing him has become clearer.

The evidence in the Starr report includes what the sources described as damaging descriptions of Mr. Clinton's contacts with two women at the center of the case: Ms. Lewinsky, the former White House intern, and Mr. Clinton's secretary, Betty Currie. The Associated Press reported.

A central focus of the report, according to The Washington Post, is whether Mr. Clinton sought to relieve gifts he had given Ms. Lewinsky, perhaps by sending Mrs. Currie to her apartment, that were subpoenaed by Paula Jones's lawyers.

Another central point is whether Mr. Clinton tried to arrange a job for Ms. Lewinsky to induce

her to deny, in an affidavit for Mrs. Jones's lawyers, that she had had a sexual relationship with the president. Mrs. Currie might have had knowledge of such an attempt.

The report, according to The Associated Press, details what prosecutors believe was a pattern of lying by Mr. Clinton, as well as attempts to sustain those lies using government employees and resources.

The sources said these attempts include Mr. Clinton's approval of a false statement his press secretary released Jan. 21, after the Lewinsky story broke in The Washington Post, as well as the legal efforts he allowed aides to undertake to block access to key witnesses, including his top aides, Secret Service agents, and others.

The sources said that the report details efforts

See CLINTON, Page 6

Yeltsin Yields And Names Primakov to Head Cabinet

Quick Approval Is Seen For Acting Foreign Minister To Head the Government

By David Hoffman
Washington Post Service

MOSCOW — A weakened President Boris Yeltsin gave in Thursday to pressure from the opposition in Parliament and nominated the acting foreign minister, Yevgeni Primakov, to become prime minister.

This move seemingly resolved a severe political crisis but left unsettled how Russia would cope with its devastating economic decline in recent weeks.

Mr. Yeltsin appointed Mr. Primakov, 68, a diplomat and former spymaster with close ties to the Arab world, after abandoning Viktor Chernomyrdin, who was twice rejected by the Duma, the lower house of Parliament.

Mr. Yeltsin's spokesman, Sergei Yastrzhembsky, said that Igor Ivanov, first deputy foreign minister, was likely to succeed Mr. Primakov in the Foreign Ministry.

The president made no public comment about his retreat from Mr. Chernomyrdin, who had served Mr. Yeltsin earlier as prime minister.

Mr. Primakov immediately drew broad support in the Duma, from the centrist leader Grigori Yavlinsky, the main liberal lead-

Primakov a scholarly pragmatist. Page 7.

er, and from the Communists. He is expected to win quick approval Friday in Parliament.

The appointment was a defeat for some of the wealthy Russian tycoons, spearheaded by Boris Berezovsky, who openly tried to install Mr. Chernomyrdin as prime minister. Mr. Yeltsin embraced Mr. Berezovsky's exact language in praising Mr. Chernomyrdin as his potential successor.

Mr. Berezovsky, in a brazen power play, suggested recently that Mr. Yeltsin should step down. But the gambit failed in the face of strong opposition in Parliament.

The appointment came nearly three weeks after Mr. Yeltsin fired Prime Minister Sergei Kiriyenko, leaving Russia politically rudderless as the economy appeared to spiral out of control.

Thursday, officials admitted that imports to Russia fell by nearly 45 percent in August, because of the devaluation of the ruble, which went from 6.3 per dollar to nearly 20 earlier this week. The ruble strengthened to about 12 per dollar Thursday, but experts said it was only a respite.

Mr. Primakov has little experience in Russia's turbulent domestic economic battles, but early indications pointed toward a government with a more statist, inward-looking approach than the pro-Western, free-market advocates who have dominated policy in recent years.

In a speech in June, Mr. Primakov attributed Russia's economic ills to excessive capital flight, an overly heavy dependence on foreign capital, a warped and failed tax system and the decline in world oil prices coupled with Asia's troubles.

See RUSSIA, Page 7



President Clinton addressing a party fund-raiser, where he apologized for disappointing his supporters.

Markets Plunge Around World

Dow Falls Dramatically, Pulling Dollar Down, Too

By Mitchell Martin
International Herald Tribune

NEW YORK — Concerns about the future of President Bill Clinton combined with fears of deflation, chilled stock prices Thursday on Wall Street and across Western Europe, as the dollar weakened.

Major stock indexes in Europe dropped 3 percent to 7 percent, as the Dow Jones Industrial average fell more than 300 points on Wall Street. By the close, the Dow had pared its losses to close down 249.48 points, or 3.17 percent, at 7,615.54, not far from the 7,539.07 at which it settled after its 512-point drop Monday last week.

The dollar fell broadly against European currencies, tumbling 3 pennies to a 15-month low against the Deutsche mark. Some of the decline may have resulted from speculation that the Federal Reserve Board would push down interest rates. (Page 16)

Investors stampeded into the perceived haven of government bonds. Despite the weakening currency, bond prices soared. The rising prices pushed the yield on the benchmark U.S. Treasury bond to 5.17 percent — the lowest level since the government began selling 30-year is-

sues in the 1970s — from 5.27 percent on Wednesday.

The manic-depressive trading pattern of the past few weeks reflected investor opinions that wavered between the idea that the financial crisis that began last summer in Asia was about to set off a worldwide recession and the concept that equity stock prices have fallen so far since July that they are now at bargain levels. The Dow is about 18 percent below its record close of 9,337.97, set on July 17.

"I have not been able to find any real story behind this," said Alan Brown, chief investment officer of State Street Global Advisers. Mr. Brown, who is based in

Crisis Sweeps Over Brazil; Shares Post Record Fall

By Diana Jean Schemo
New York Times Service

RIO DE JANEIRO — The Brazilian stock market careened toward record losses Thursday, caving in under the pressure of the international financial crisis and the government's failure to make crucial reforms.

Shares also fell heavily in Argentina, Mexico and other

Latin American markets, dragged down by sharp losses on Wall Street, where share prices were denoted by President Bill Clinton's political policies.

The Brazil market is being watched as a benchmark for other Latin American markets amid fears that the continent would be the next region struck by the waves of financial turmoil from Asia and Russia.

As the stock market fell more than 11 percent Thursday morning, the Sao Paulo Bovespa exchange halted trading for only the third time in its history.

When trading resumed, so did the sell-offs. In late trading, the index plunged nearly 15 percent, to 4,819.10 points, forcing the exchange to halt trading.

Standard & Poor's Corp., meanwhile, lowered its credit outlook Thursday on Brazil to negative.

Paraguay and Bolivia. Investment analysts predicted that Brazil's foreign reserves would decline by \$3 billion to \$4 billion by the end of the day.

Emergency measures by the Brazilian government over the last week proved futile to end the slide in investor confidence and the hemorrhage of hard currency.

"The problem is no longer the stock market," said Andre Zylberberg, a fund manager at Paradigm Financial Advisers. "It's the fear of Brazilian investors who are running to buy dollars."

Putting it in the same category as Jordan, Lebanon, Paraguay and Bolivia. Investment analysts predicted that Brazil's foreign reserves would decline by \$3 billion to \$4 billion by the end of the day.

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Putting it in the same category

The Starr Report/ 2 Vans at the Capitol Change the American Political Landscape

A 'Traumatic Journey' Is Begun in the House - Where Will It End?

By Ruth Marcus
Washington Post Service

WASHINGTON — For four years, the independent counsel Kenneth Starr has sifted microscopically through the assorted scandals of the Clinton administration. For eight months he has delved into the president's relationship with a White House intern.

On Wednesday, with barely a few minutes' warning, two vans from Mr. Starr's office arrived on the Capitol plaza and changed the American political landscape.

In one dramatic moment, the focal point of the Clinton investigation moved from the independent counsel to Congress, and the long-running inquiry into the president's actions became a prelude for possible impeachment.

Members of Congress knew the day would eventually come when Mr. Starr would present his evidence against President Bill Clinton, but — like the residents of a beach town aware that a hurricane was likely but did not know when it would arrive — they were fundamentally unprepared.

Only once before this century has Congress been forced to confront the agonizing question now thrust upon it: Do a president's actions

amount to a reason to remove him from office? "No one looks forward to this traumatic journey that we're about to enter," said the House Judiciary Committee chairman, Henry Hyde, Republican of Illinois, who would preside over any impeachment proceedings.

Twenty-four years ago, in the impeachment inquiry that ended in President Richard Nixon's resignation, the country went through the wrenching process of removing a president and survived —

NEWS ANALYSIS something that, for better or worse, makes the prospect of another impeachment proceeding slightly less alarming.

But the allegations against Mr. Clinton, at least as they have emerged so far, raise constitutional questions even more complex than those Congress faced during the Nixon inquiry.

Although Mr. Nixon's defenders argued that he could not be impeached for actions that did not violate criminal law, Mr. Nixon's conduct indisputably concerned his official duties and the ways in which he used, or misused, the powers granted to him as president.

Members assessing Mr. Clinton's situation will be forced to define for themselves what the

proper boundaries are between a president's personal and public lives and whether Mr. Clinton's alleged behavior so tarnished his ability to perform his constitutional function that he must be removed.

Mr. Clinton's lawyer, David Kendall, declared Wednesday that whatever Mr. Starr's report contains, "there is no basis for impeachment." But there is no chance that assertion will end the matter.

Bernard Nussbaum, who served as a lawyer on the House Judiciary Committee during the Nixon impeachment and later as Mr. Clinton's first White House counsel, said the fact of Mr. Nixon's resignation makes the idea of Mr. Clinton's removal "less scary."

"It was done once before — a president was forced out of office, and so we created a precedent that makes it easier to do," he said.

"I think we've defined it down and it's become very dangerous now because if you can do this, it really starts changing our system. If you can say the president has brought the office into disrepute, that could apply to almost any president."

But others saw significant and ominous parallels for Mr. Clinton in the Nixon experience, pointing to the rapid erosion of public support for

Mr. Nixon as the country discovered that it had been lied to about his role in the Watergate cover-up.

"We all suffer from a certain schizophrenia in that, in one respect, we do blame Starr for having brought these sidebar matters to our attention," said William Van Alstyne, a constitutional scholar at Duke University. "But in the president's manner of handling them he has probably spent almost fatal capital and seriously compromised his ability to maintain credibility on any matter."

Mr. Van Alstyne said the "larger question of the inability of the president to maintain public credibility as he attempts to develop policy, to address Congress, to be convincing to the American people" was a legitimate issue.

A law professor at the College of William and Mary, Michael Gerhardt, author of a book on impeachment, said there were similarities and differences between the two presidents.

"The allegations against Nixon were at their core about his use of official power in abusive ways and ways that exceeded their proper scope," he said.

While the fact involving Mr. Clinton's actions are still emerging, he said, "it's not so much his

direct exercise of power that's at issue but his having done things that reflect on his trustworthiness. That is both the same and different than the Nixon case."

While the Nixon impeachment offers some guidance to members contemplating the different set of allegations against Mr. Clinton, no one can know where the constitutional journey that a reluctant Congress embarked on Wednesday will end.

In Mr. Clinton's impeachment by the House, trial by the Senate and eventual ouster?

In his grudging resignation from office?

Or in a limping finale to his second term in which he will manage to persuade Congress, at one stage or another, to allow him to remain but will find his presidency hobbled, and his role in history irrevocably soiled, by his relationship with Monica Lewinsky?

The arrival of Mr. Starr's report "means that we have started a process," said Stephen Hess, a presidential scholar at Brookings Institution. "We don't know where it's going to end, and it's like getting on an escalator and we can't figure out how to get off."

But, he said, at the very least, Mr. Clinton "has destroyed his own presidency."

Starr Cleared Report's Path Before Clinton Had Testified

By Don Van Natta Jr.
New York Times Service

WASHINGTON — Quietly one day in July, Kenneth Starr, the Whitewater independent counsel, filed a motion with a three-judge panel here seeking permission to send secret grand jury material to Congress.

At the top of the sealed motion was "In re: Madison Guaranty Savings & Loan Association," the Arkansas bank related to the failed Whitewater land deal that was Mr. Starr's first investigative mission more than four years ago.

But his July 2 motion sought permission to give the House of Representatives grand jury testimony and other evidence of another investigation, the one into President Bill Clinton's liaison with Monica Lewinsky and allegations that he had attempted to cover it up.

Five days later, the judges granted Mr. Starr's office the authority to turn over that material to the House, which the independent counsel elected to do Wednesday in dramatic fashion when his lawyers dropped 36 boxes of evidence on Congress's doorstep with only 15 minutes' warning.

Several lawyers who know Mr. Starr said Wednesday that they were extremely surprised that he sought the judges' permission two weeks before subpoenaing the president and six weeks before Mr. Clinton testified before the grand jury. The motion makes clear that Mr. Starr was planning an impeachment report even before grand jurors heard Mr. Clinton. But the lawyers said that they were not surprised that Mr. Starr had sought the judges' permission, even though there is no provision in the Ethics in Government Act of 1977 that mandates such a motion.

But a rule of Federal Criminal Procedure, 6 (e), requires prosecutors to keep all matters occurring before a grand jury confidential.

"It would be just like Ken to get a



Newt Gingrich briefing his press secretary, Christina Martin, after a closed meeting Thursday of House Republicans to discuss the report.

clarification from a court on this point," said Barbara Olson, a Washington lawyer who has been one of Mr. Starr's most visible and outspoken defenders.

"He didn't necessarily need the permission, but he got it anyway. He's that meticulous and careful."

So meticulous, in fact, that he has not dismissed the grand jury impaneled in January to investigate the Lewinsky matter. And a spokesman for Mr. Starr said the criminal inquiry would continue.

Members of Congress were clearly surprised by the timing of the report. One possible explanation for the earlier than anticipated delivery was that Mr. Starr wanted to forestall a legal challenge by David Kendall, the president's lawyer for Mr. Starr's office, said.

That communication came in the form of a letter from Mr. Starr to the speaker, Newt Gingrich, and the minority leader, Richard Gephardt. But even the letter said nothing about the boxes' contents, which were immediately placed in a locked vault in an office building several blocks from the Capitol.

After the report's delivery, several allies of Mr. Clinton's said that Mr. Kendall had been planning a legal challenge, which could have delayed delivery of a report for days or even weeks, and that Mr. Starr might have wanted to

head off such a challenge.

Several lawyers close to the independent counsel's office said it was clear that Mr. Starr had decided to go directly by the letter of the 1978 Ethics in Government Act, which established an the position of independent counsel.

That law says nothing about an advance-warning phone call to the speaker of the House.

"The independent counsel statute itself specifically provides that independent counsel shall advise the House of Representatives — House of Representatives — if we receive substantial and credible information of impeachable offense," Charles Bakaly, the spokesman for Mr. Starr's office, said.

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In addition to the nature and handling of the prosecutor's report, these are some of the precedents to consider:

• In the 1974 impeachment proceedings, the House Judiciary Committee heard all testimony in private sessions.

Mr. Nixon's lawyer, James St. Clair, was permitted to cross-examine the witnesses.

• Mr. St. Clair was on the government payroll as a White House employee. Mr. Nixon did not have a private lawyer or need a legal defense fund.

• Only a few senior members of the Judiciary Committee and the committee's top lawyers were allowed to see Mr. Jaworski's documentary evidence.

The Judiciary Committee's inquiry took seven months. Finally, on July 27, 29 and 30, 1974, the committee approved three articles of impeachment.

On the crucial first article, charging Mr. Nixon with obstruction of justice, the vote was 27 to 11. All 21 Democrats on the panel and six of the 17 Republicans voted for impeachment. Mr. Nixon

resigned Aug. 9.

A big difference between 1974 and 1998 is that Congress now has a much sharper partisan edge.

During the Nixon inquiry, about 10 conservative Southern Democrats and moderate Republicans — including William Cohen, then a freshman Republican congressman from Maine and now the secretary of defense — held the balance of power on the Judiciary Committee. All eventually voted for impeachment.

Francis O'Brien, who was a top adviser to Representative Peter Rodino, Democrat of New Jersey, the chairman of the committee in 1974, said Wednesday that "Rodino felt from Day One that this middle group was central, that

2 Prosecutors, Separate Policies

House Got Evidence but No Analysis From Jaworski on Watergate

By David E. Rosenbaum
New York Times Service

WASHINGTON — Twenty-four years ago, the Watergate special prosecutor, Leon Jaworski, gave Congress only raw evidence, not the kind of analysis that lawmakers expect from the report that the Whitewater independent counsel, Kenneth Starr, delivered this week.

The material Jaworski supplied about President Richard Nixon is still under seal at the National Archives, although much of it has been published in other forms.

By contrast, Newt Gingrich, House speaker, said Wednesday that most of the evidence about President Bill Clinton would be made public quickly.

Dick Gephardt, House minority leader, said at a joint news conference with Mr. Gingrich on Wednesday that it was important for the Watergate process to be followed.

Mr. Gephardt did not mention specific procedures. But times have changed, circumstances are different and lawmakers may decide that many of the Watergate precedents should not apply to the Clinton inquiry.

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only this group could convince the people of the committee's fairness."

There are fewer such independent voices in Congress now. And an analysis this week by Congressional Quarterly, a nonpartisan magazine about Congress, concluded that the Judiciary Committee was "one of the most politically polarized panels in Congress."

What Mr. Jaworski gave the Judiciary Committee in 1974 was a briefcase stuffed with 800 pages of documents and 13 tape recordings of Mr. Nixon's conversations in the Oval Office.

The documents are now in a file at the National Archives and cannot be made public because they contain grand jury material that must remain secret unless released in a court order, said David Payne, the archivist in charge of the records.

Mr. Starr was appointed under the

For the Vice President, 'Business as Usual'

International Herald Tribune

WASHINGTON — A spokesman for Vice President Al Gore said Thursday that it was "business as usual" for us, even as Congress prepared to decide on the possible impeachment of

President Bill Clinton. "We're going ahead with our schedule as planned," said Chris Lehane, a spokesman for Mr. Gore. The vice president had no immediate intention of commenting on the Starr report, he said.

Sitting in Judgment

Representative Henry J. Hyde, chairman of the House Judiciary Committee that will review Kenneth Starr's report. The Illinois Republican has said that retaining Congress's credibility in handling the report is his top priority. He issued stern advice to members of his committee already clamoring for Mr. Clinton's removal: "Keep your eyes open and your mouth shut." Below, other key members of the committee:



John Conyers
D Michigan



Bill McCollum
R Florida



Barney Frank
D Massachusetts



Charles Canady
R Florida



Howard Berman
D California

The highest-ranking Democrat on the committee is also the only member of the panel to have served on it during Watergate. Conyers, 69, is one of the founders of the Black Caucus and was chairman of the House Reform and Oversight Committee for six years.

In recent interviews, McCollum, 54, said that a perjury charge against Mr. Clinton stemming from his testimony in the Paula Jones case would constitute an impeachable offense. He is expected to take a leading role in any impeachment proceedings.

One of the House's best debaters, Frank, has been tapped by senior Democrats to deliver rapid-fire rebuttals to Republican questioners on the Judiciary Committee. It is a role he has filled often.

During the Republican takeover of the House in 1994, he has served three terms representing citrus-growing central Florida.

Canady will play a key role in guiding any impeachment inquiry past its first steps. He has sometimes challenged such debaters as Frank during partisan hearings.

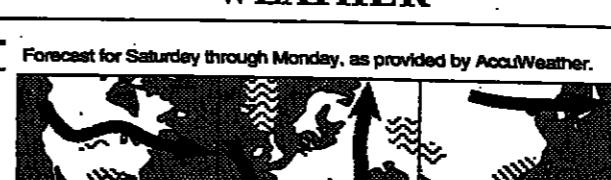
Canady, 44, has served three terms representing citrus-growing central Florida.

Source: AP

International Herald Tribune

WEATHER

Forecast for Saturday through Monday, as provided by AccuWeather.



Asia

	Today	High	Low	Wind	Clouds
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THE AMERICAS

Cloud Over Mexican Anti-Drug Force

By Douglas Farah
and Molly Moore
Washington Post Service

Two years ago, U.S. and Mexican officials, frustrated by corruption in Mexican law-enforcement agencies, called on the Mexican Army to take the lead in fighting the drug war. Forming the backbone of the effort were new, screened units trained by the U.S. Special Forces and given helicopters for mobility.

But now the program is failing the same evil it was formed to combat. About 80 members of the elite units

have been under investigation in recent weeks amid allegations that some of them took hundreds of thousands of dollars in bribes to sneak cocaine-filled suitcases and illegal immigrants through the Mexico City airport on their way to the United States.

Nine of these Mexican soldiers have been jailed on formal charges and five more have been detained. On Sunday, civilian authorities removed 40 of the troops trained under the Special Forces program from their assignments at the airport as a result of the corruption investigation.

The Mexican units, whose leaders were given Special Forces training at Fort Bragg, North Carolina, are called Airmobile Special Forces and are widely known by their Spanish acronym GAFE.

The United States pays \$28 million a year for the program, and 252 Mexican officers were trained in its first 18 months, with another 156 officers scheduled for training by the end of fiscal 1998, according to the Pentagon.

The U.S.-trained officers then train other groups in Mexico, and by now there are supposed to be 42 units of 100 soldiers each stationed around the country.

Candidates for the elite units are vetted by Mexican and U.S. officials. Those sent for training in the United States have their names checked against databases of suspected drug traffickers kept by the Drug Enforcement Administration, the Central Intelligence Agency and the Defense Intelligence Agency. They also receive higher salaries than troops outside the units to make bribes less tempting.

The elite troops who worked at the Mexico City airport were trained by Mexican trainers, not directly by U.S. Special Forces. But U.S. officials said the indications of possible graft were slow to their efforts to establish several corps of incorruptible drug fighters on both sides of the border.

"After a while you wonder what the hell you are doing there," said a law-enforcement official. "There is no one there we can trust completely. This was supposed to be the group we could trust and work with."

Said a Mexican official: "They are supposed to be the door-kickers and have the capacity to go after the drug traffickers and offer the best support available. It is a matter of concern to us they reportedly were loaned out to other agencies, and we are investigating why that is."

Law-enforcement operations at Mexico City's Benito Juarez International Airport were taken over by an elite unit in April 1997.

Within the last five months, nearly 20 of the approximately 80 officers and

troops assigned there have been arrested on charges of protecting drug shipments, which 14 soldiers were detained on Aug. 9, involved assisting illegal immigrants and shepherding electronics and other high-duty imports

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The Los Angeles City Council has eliminated outdoor advertising for alcohol and tobacco within 1,000 feet of schools, parks and residential areas — or from about 98 percent of all city billboards. (NTT)

Despite generally higher poverty rates, children in immigrant families tend to be healthier than those of U.S.-born parents. But as they assimilate, gradually adopting the lifestyle of poor Americans, the health of these children deteriorates, a expert panel reported. (WP)

Delbert Teague, 37, who killed a man during a 1985 robbery and kidnapping, was executed by lethal injection in Huntsville, Texas. (Reuters)

Alzheimer's disease costs U.S. businesses more than \$33 billion a year in lost productivity and absenteeism, researchers in Washington said. Costs will soar higher as the baby-boom generation ages and workers take time off to care for relatives who develop the disease. (Reuters)



GIVING A HAND — Neighbors helping each other evacuate after rains caused the Guatan River to overflow in southern Mexico. More than 20 people in the region have died and thousands have been forced out of homes.

Affirmative Action Succeeds at the Top

By Ethan Bronner
New York Times Service

NEW YORK — A major study of the records and experiences of tens of thousands of students over 20 years at some of the top colleges and universities in America concludes that affirmative action policies at those institutions created the backbone of the black middle class and taught white classmates the value of integration.

The study, which challenges much of the conservative thinking about affirmative action, was released by Princeton University Press in a book titled "The Shape of the River: Long-Term Consequences of Considering Race in College and University Admissions." It was written by two former Ivy League presidents, William Bowen of Princeton University, an economist, and Derek Bok of Harvard University, a political scientist.

Examining grades, test scores, choice of major, graduation rates, careers and attitudes of 45,000 students at 28 of the most selective schools, the authors say that although they are both advocates of race-conscious admissions policies, they wanted to test the assumptions underlying them. They say the study should put to rest major objections to such policies, especially that both whites and blacks are ultimately cheated by them.

The study limits itself to the practice of race-conscious admissions in elite higher education, where race would be a critical factor equivalent to, say, an applicant's region of origin or extracurricular activities.

The study begins by documenting the problem clearly: Blacks who enter elite institutions do so with lower test scores and grades than those of whites. And as they work their way through liberal arts colleges like Yale and Princeton and state schools like the universities of Michigan and North Carolina, black students receive lower grades and graduate at a lower rate.

But after graduation, the survey found, these students achieve notable success. They earn advanced degrees at rates identical to those of their white classmates. They are even slightly more likely than whites from the same institutions to obtain professional degrees in law, business and medicine. And they become more active than their white classmates in civic and community activities.

The authors call black graduates of elite institutions, "the backbone of the emergent black middle class" and say that their influence extends well beyond the workplace. "They can serve as strong threads in a fabric that binds their own community together and binds those communities into the larger social fabric as well."

One of the most striking findings is how useful elite college education can be for all races. Black graduates of elite colleges earn 70 percent to 85 percent more than other black graduates.

AMERICAN TOPICS

Students Swamp Public Universities

So many freshmen showed up last month at the University of Maryland at College Park — hundreds more than expected — that dozens were sent to spend the semester at the local Quality Inn. At the University of Delaware in Newark, overflow freshmen were placed in luxury apartments.

At other public universities, a sudden surge in freshman enrollment has forced unprepared administrators to scramble to find beds, instructors and classrooms.

Students are opting for public schools in unexpected numbers, administrators say, because the big state universities are marketing themselves more effectively, parents are more worried about penny-pinching, and expensive private institutions have reached the limit in terms of the financial aid they can offer.

Some private schools are also seeing a rise in the percentage of freshmen who accepted offers of admission. Harvard University reported that 80 percent of applicants who were offered admission this year accepted, the highest rate in 20 years. Across the nation, the number of high school graduates began to grow in 1995, after a long decline, and is expected to keep heading upward until 2008.

Short Takes

The schools appear to have their work cut out for them: A new survey finds that American teenagers are much better versed in television trivia than in U.S. history or government. Thus, the poll by the National Constitution Center found, 74 percent of teenagers knew that Al Gore is vice president, while 90 percent knew Leonardo DiCaprio was the male star in the movie "Titanic." Three times as many (75 percent) knew which city has the ZIP code 90210 (Beverly Hills, California) as knew where the U.S. Constitution was written (Philadelphia). And, by 59 percent to 41 percent, more could name the Three Stooges than the three branches of government.

Disneyland has long prohibited its employees from wearing their work costumes outside the California compound. But that rule was relaxed last month when construction at the park and long checkout lines at the wardrobe department were delaying workers. The park will not object now if a "pirate" or a "witch" stops off to pick up children or buy gas. It is counting on employees to exercise discretion, however. "If you have a Disney-clad employee going to 7-Eleven for a six-pack of beer," said Dan Head, a 12-year employee, "it deflates the value of the Disney image."

Speaking of image, the Safeway supermarket chain believed that its own could be friendlier if it ordered employees to smile and make eye contact with shoppers. But now 12 Safeway employees have filed grievances, saying they are being propositioned by shoppers who mistake the mandated politeness for flirtation. One produce clerk, Richelle Roberts, said she is propositioned every day by men who think she is being forward. Safeway acknowledges that "sometimes customers get out of line," but does not believe its policy is to blame. So far no employee has been fired for insufficient friendliness, but 100 workers have been sent to daylong classes for instruction, presumably, on how to smile.

Brian Knowlton



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Away From Politics

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ASIA/PACIFIC

Throngs in Cambodia Cheer for Democracy

By Seth Mydans
New York Times Service

PHNOM PENH — In an extraordinary and largely spontaneous outpouring that took this battered city by surprise, thousands of people surged through the streets Thursday, clapping, cheering and chanting, over and over again, "Hooray for peace!"

Residents and shopkeepers packed sidewalks and balconies for miles, some clapping, some weeping, some ripping off their shirts and waving them over their heads.

For more than two hours, there were no police officers or soldiers to be seen; the streets belonged to the people.

More than any election result, this brief moment of hope and joy amid the violence and hatred of the past few days seemed a clear signal of the will of the people.

"It was amazing; it was a show of people power that may well send a message to government leaders that change is needed," said Leo Dobbs, an analyst for the International Crisis Group.

Six weeks after the still-disputed Parliament election, this was a march with no political leaders or slogans; only people shouting: "We want peace!" and "Democracy in Cambodia!"

The crowds seemed unanimous in their sentiment that the country's strongman, Hun Sen, must go, despite his own government's declaration that he had won the election.

What had started as a modest parade by students and monks swelled to perhaps 10,000 people, including doctors, civil servants, out-of-uniform police officers and entire families squeezed onto small motorbikes.

Many waved green branches above their heads as makeshift standards symbolizing peace.

"Nobody organized this demonstration; this demonstration came from our heart," said Pen Chan, a student, raising his voice above the rhythmic clapping.

"We want democracy and, I can tell you directly, we do not want this government any more," he said. "I would like to tell you that people have suffered for a long time already. Now we cannot keep it inside our heart any more."

As evening approached, the men who rule Cambodia staged a reminder that they are still in charge.

In a show of force, several truckloads of riot police, a line of red fire trucks and a roaring convoy of black-clad motorcycle police with automatic weapons barreled through the streets, scattering the marchers.

Here and there, the riot policemen

stopped, jumped from their trucks, beat up a few people, then sped away.

But as evening fell, most of these security forces had disappeared.

Several hundred people remained in the dark on the steps of the Independence Monument, a central landmark, dancing, clapping and chanting.

Vans of riot policemen drove by, their lights flashing, and people along the roadways cheered.

But there was still menace in the air. Shots could be heard here and there in the night and the crowds were filled with rumors of killings.

The day had started violently, like the past two days, with riot police attacking demonstrators near the U.S. Embassy, clubbing them and firing their weapons.

Apart from the mass killings by the Communist Khmer Rouge from 1975 to 1979, these are the first attacks on Buddhist clergy since 1942, when the French colonial administration was faced with protests.

The country's turmoil grows out of an election, held July 26, in which Mr. Hun Sen's party won a majority of seats. His two rivals, Norodom Ranariddh and Sam Rainsy, say the voting and counting were marred by irregularities and are demanding a review of the results.

MISSILE: North Korean Launch Prompts Talk of Stronger Japan

Continued from Page 1

Dong 1 that North Korea fired 1,380 kilometers (850 miles) across Japan into the Pacific Ocean on Aug. 31.

Analysts noted, however, that TMD, an outgrowth of the old Strategic Defense Initiative proposed by President Ronald Reagan in 1983, had been in the talking stage between Washington and Tokyo for five years. If plans were to proceed, it would still not become operational for at least five more years, at a cost of about \$20 billion.

In the meantime, in response to public demand for a vastly improved advance warning system, the Japanese may go ahead with a spy satellite similar to that deployed by the United States.

Prime Minister Keizo Obuchi of Japan said Thursday that he had ordered officials to study the possibility of "launching our own satellite."

Underlying Japan's decision to plunge into such a project — which, if approved, may cost \$2 billion — was deep embarrassment over the ease with which North Korea violated Japanese airspace. North Korea's assertion that it

did not test a missile but lofted a satellite into orbit — an assertion so far unverified by the United States — has hardly dimmed the fury.

Most disappointing to the Japanese was the failure of the United States to provide advance intelligence on North Korean designs. Although U.S. satellites for years have photographed the facility from which the missile or rocket was launched — Taepo Dong, on the northeast coast of North Korea — the Japanese say the Americans did not adequately present the threat to Japan.

"Japanese think the United States wants to monopolize satellite information so it will be easy to manipulate Japan," said Toshimitsu Shigemura, Northeast Asian expert at the Mainichi Shinbun, a major Japanese daily.

American officials respond that the United States shares intelligence with Japan in accordance with the U.S.-Japan security treaty, under which the United States keeps 47,000 troops on Japanese soil. If anything, some analysts say, anger over the North Korean missile firing may deflect pressure for the removal of U.S. bases in Japan.

"It's not so much the military wanting to escalate but right-wing, conservative groups," Mr. Shigemura said. "The right-wing propose that we should have a military satellite or TMD or both."

The furor in Japan may ultimately bring about a major increase in spending for a military establishment that includes only about 240,000 troops in all services.

The defense budget this year is 4.93 trillion yen, about \$36 billion and about 1 percent of gross national product, for years the standard for military spending.

Any move by Japan to increase that spending could shift the regional military balance and raise tensions not only between Japan and North Korea but also between Japan and China.

"The military balance is very delicate," said Koh Il Dung, researcher at the Korea Development Institute, a think tank. "Each country wants to maintain the status quo. China is very concerned about Japanese rearmament."

If the Japanese worked with the United States to build a TMD system, Mr. Koh said, every country in the region would ask, "How do you separate defense from an offensive system?"

U.S. Sending More Food to North Korea

By David E. Sanger
New York Times Service

WASHINGTON — The United States agreed quietly last weekend to send an unusually large shipment of emergency food aid to North Korea, despite the North's recent launching of a medium-range missile that flew over Japan, according to officials who have been briefed on the talks.

The agreement to provide additional aid, which has angered Japan, comes amid growing indications that North Korea was trying to put a satellite in orbit, as it insists, when it launched the missile.

So far, the U.S. Space Command, which tracks objects in space, has said it cannot find evidence of a satellite. But if the launching amounted to a failed effort to propel a small satellite into space — which one official said "is the most likely scenario now" — it would mean that the initial description of the firing as a clearly hostile act was partially incorrect.

Washington's decision to provide about 300,000 tons of wheat and other grains will probably be announced next week, officials said.

The State Department declined to comment, but other officials said the announcement was being delayed to put some distance between the missile launching and an American step to keep the North Koreans talking about curbing their nuclear programs.

Japan sharply protested the launching of the missile and immediately said it was reviewing aid to the North.

Japanese officials have made no effort to hide their chagrin at the U.S. decision to go ahead with food aid, arguing that it rewards North Korea for bad behavior.

But American officials say the Clinton administration is loath to become involved in another confrontation with North Korea when the executive branch is distracted by the Monica Lewinsky scandal and economic instability around the globe.

The State Department, meanwhile, is interested in keeping North Korea at the negotiating table because of fear that the Communist government may be looking for a way to break out of the 1994 accord containing its nuclear weapons ability.

In the negotiations last week in New York, North Korean officials reportedly agreed to resume a four-year-old process of "canning" nuclear waste at its suspected nuclear-weapons plant in Yongbyon, north of Pyongyang.

BRIEFLY

Students in Jakarta Hold Their Ground

JAKARTA — Indonesian students marched their way to within a few hundred yards of the Presidential Palace on Wednesday, reminding President B.J. Habibie of their determination to do away with his administration.

Hundreds of students, ringed by nearly twice as many soldiers, staged a noisy but peaceful demonstration for a third straight day.

No injuries or arrests were reported, and the heavily armed soldiers remained calm, in contrast to events the previous day in the East Java city of Surabaya, where troops fired into the air to disperse thousands of students attempting to block the motorcade of Mr. Habibie. (NYT)

Kashmir Soldiers Kill 3 Pakistanis

SRINAGAR, India — Soldiers killed three Pakistanis who slipped across the border to join a Muslim insurrection in Indian-held Kashmir.

India repeatedly accuses the Pakistani government of fomenting violence in the only Muslim-majority state in this predominantly Hindu country, which has been afire in secessionist violence since 1989.

Islamic Pakistan said it gives only moral support to anti-Indian militants in Kashmir. (AP)

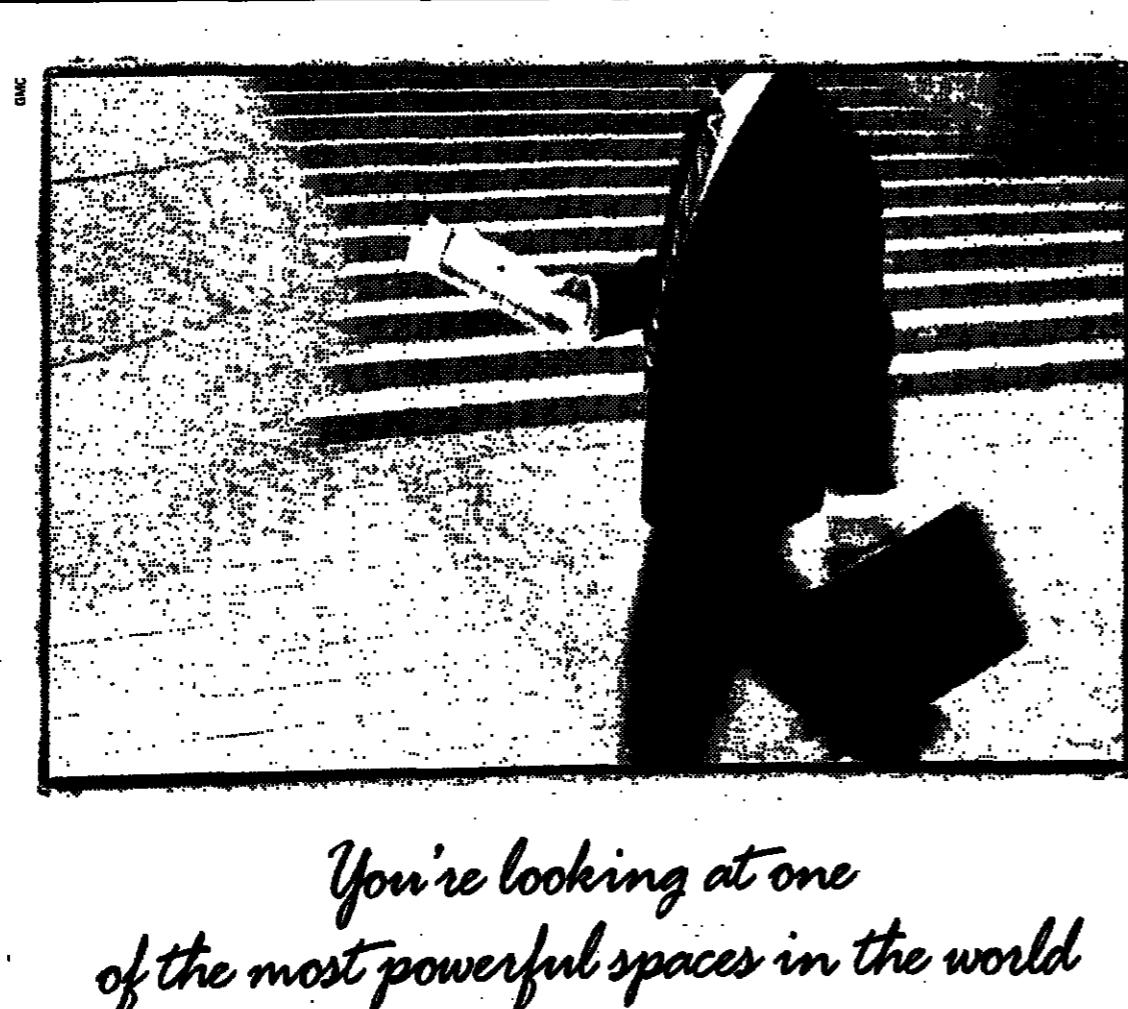
Respite for Deputy Ousted in Malaysia

KUALA LUMPUR — The ousted deputy prime minister, Anwar Ibrahim, appears safe from arrest at least until foreign journalists leave town after the Commonwealth Games, a sporting event that runs through Sept. 21.

Mr. Anwar, who has been held up for a week at his home in a Kuala Lumpur suburb, is under police investigation, in allegations ranging from bisexual misconduct to treason, and the police have said he could be arrested at any time. But Prime Minister Mahathir bin Mohamad acknowledged Thursday the foreign media would use the arrest to paint the Southeast Asian country as "repressive." (AP)



Cambodian children getting a ride Thursday as they joined the tens of thousands of people demonstrating for political peace in Phnom Penh.



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INTERNATIONAL

For Argentine Candidate, Past Pain Becomes Political Asset

By Clifford Krauss
New York Times Service

USHUAIA, Argentina — Like many mothers in Argentina, Graciela Fernández Meijide can remember the night years ago when the Argentine security forces knocked at the door.

"I was closer to insanity than sanity," she said of the night in 1976 when her 17-year-old son Pablo, wearing nothing but a jacket pulled over his shoulders, was taken away.

Now she is one of the three leading candidates to succeed Carlos Saúl Menem as president of Argentina next year.

Although Mrs. Fernández Meijide is a member of Congress from Buenos Aires Province, she is considered by some to be an unlikely presidential candidate. She has no experience in economic policy and has never served in the executive branch. She makes her own clothes, and has been known to celebrate her political victories by performing exuberant dance steps in her bare feet in public. But her candidacy automatically gains stature from her painful personal experience, which reflects so much of Argentina's recent history.

"I decided to do something to construct a new country," she said on a campaign flight to snowy Tierra del Fuego. She recalled the weeks she spent

22 years ago vainly knocking on the doors of police precincts and government buildings searching for Pablo, whose fate she has never learned. "To change things, you need to have power," she said.

Just by running a serious campaign, Mrs. Fernández Meijide has shown how much Argentina has changed since military rule ended 15 years ago. For all of the country's problems, it is now a place where candidates like Mrs. Fernández Meijide — who accuses top officials in the government of arms-trafficking and corruption — can compete for power safely and openly.

"It's a sure thing," she said of her prospects in the Nov. 29 primary balloting against the mayor of Buenos Aires, Fernando de la Rúa, for the nomination of an opposition coalition known as The Alliance. "The country is tired of the two old parties and their machines."

Polls indicate that she is neck and neck or slightly behind, and that a majority of people believe she is the most likely candidate to tackle corruption.

The primary winner will almost certainly be Eduardo Duhalde, the governor of Buenos Aires Province and leading Justicialist Party candidate now that Mr. Menem has dropped his candidacy. In a race with Mr. Duhalde, recent polls indicate, she would win — although the



Graciela Fernández Meijide campaigning in Ushuaia, Argentina. In 1976, her 17-year-old son disappeared after being taken by security forces.

margin has narrowed since the heady days last October after she led the Alliance to victory in congressional elections.

At 67, with dark bags under her eyes and a persistent cough that seems to come with campaign fatigue, Mrs. Fernández Meijide does not look scripted for the part of president. But she projects an image that reflects the suf-

fering of her past. In fact, her image is the most successful part of her message, some political experts say.

"Her past gives her a certain stature," said Carlos Escudé, a political scientist at Di Tella University in Buenos Aires. "Even people who dislike her have to avoid appearing disrespectful to a person who has suffered so much from her

country's troubles." She supports moderate social change but political continuity. It's a message intended to energize the lower- and lower-middle classes while calming the business sector and investors.

"The great national sport in Argentina is to attack our institutions," she said in a television interview in a restaurant on Ushuaia's wharf, with bobbing sailboats as a backdrop. "No one believes in the courts. No one believes in Congress. No one trusts the executive branch. We have to change that."

She spoke passionately of the need for better schools and more jobs and especially of the need to shake up government to control corruption. But she is short on specifics, especially when it comes to economic policy, although she promises not to reverse Mr. Menem's policy of privatizing government agencies and pegging the value of the peso to the dollar. During a campaign speech to an adoring crowd of 500 people in an elementary school gymnasium here, some of her biggest applause lines were remarkably unremarkable — a reflection, perhaps, of how unconvinced politicos are in Argentina at the moment.

Promising to increase exports, she said. "An ambassador who doesn't sell will not be an ambassador for long." In another message received enthusiastically, she said, "I guarantee that when I govern the country the message will be simple: Anyone who steals will not have political cover."

Despite her long history as a human rights activist and opponent of military rule, she shows how much times have changed by giving no more than a passing, indirect reference to human rights in her standard campaign speech. Argentine reporters rarely ask her about the political disappearances anymore.

"It's not a big theme for the society today," she said in another interview. "It's a memory and lesson of what a dictatorship means." If elected president, she says, she will have good relations with the military.

Kohl Tries to Buy Time With Jobs

As Vote Nears, Germany Funds 100,000 Temporary Posts in East

By Edmund L. Andrews
New York Times Service

NEUSTRELITZ, Germany — Like many others in this small town in Eastern Germany, Erika Tauber had been out of work since the textile factory here closed with the fall of communism.

But in June, after years of job hunting and retraining, Mrs. Tauber, who politely gives her age as in the 50s, suddenly found work again — thanks to the German government.

With a national election around the corner and unemployment receding but still in double digits, Chancellor Helmut Kohl's government has orchestrated an abrupt expansion in temporary job programs.

Just outside this town, unemployed high school graduates have been given jobs and old-fashioned hand tools to build a replica of a medieval Slavic village. Other workers are counting trees in the local forests, renovating schools and crunching up concrete from demolished buildings.

With Mr. Kohl under attack for years of high unemployment, job programs are critically important in his campaign to win an unparalleled fifth term, especially in the Eastern part of the country, which has been a crucial base of support for him in the past.

But with unemployment in the East far higher than the national rate, the chancellor is lagging badly in opinion polls.

Since January the government has financed 100,000 new public service jobs

across the depressed Eastern states, at an added cost of nearly \$1 billion.

"The government is clearly using unemployment programs as a political weapon," said Werner Pätzelt, a political scientist at Dresden Technical University. "The irony is that they are doing exactly what the Social Democrats have been calling for."

The problem is that the make-work jobs are all temporary. Most last for a year, but many of the newest jobs last only six months.

"There isn't any real growth here," said Annegret Albrecht as she sewed a fisherman's costume for a pageant, in one of the publicly subsidized jobs.

"The only thing that's happening is that people are being taken off the streets. When the elections are over, our jobs will be over, too."

With the last-minute spending, the Federal Labor Office reported on Tuesday that the unemployment rate eased slightly in August to 10.6 percent from 10.7 percent in July. About 4.1 million people were without jobs last month, an improvement of about 39,000 people from the July level.

The highest levels of joblessness are in Eastern Germany, where huge, inefficient and overstaffed factories closed after the fall of the Berlin Wall, leaving many people without work. In August the unemployment rate in the Eastern section of the country was 17.1 percent, down from 17.4 percent in July. In the Western part of the country, unemployment in August was 9 percent, down from 9.1 percent.

Neither Mr. Kohl's party, the Christian Democratic Union, nor the Social Democratic Party, whose candidate is Gerhard Schröder, offers convincing solutions.

Many economists say the problems stem in part from high taxes, steep costs of wages and benefits and strict work rules, but neither side has proposed radical reforms. Both support a strengthening of job and training programs. As the aging incumbent, Mr. Kohl has the more acute problem. When he stopped here late last month to campaign, protesters threw eggs and tried to disrupt his speech with chants of "Kohl must go!"

Disillusionment abounds. The streets here are plastered with billboards and placards from far-right parties, like the German People's Union, that campaign against immigrant labor from Eastern Europe and elsewhere with slogans like "German money for German jobs."

As the dissatisfaction has grown, the government has vacillated between cutting spending for job programs and expanding them to alleviate the severe recession.

During 1997 the federal government slashed 100,000 make-work jobs to reduce its budget deficit. At the time, the government was struggling to meet the strict fiscal requirements for taking part in the new European currency, the euro.

But in January, after the government met the euro requirements, it abruptly reversed course. Local governments were given authority to spend an extra \$600 million, and an estimated \$300 million was added for special jobs subsidies in the east. Since the year began, the number of public make-work jobs in Eastern Germany has jumped to 179,622 from 80,142, according to the labor office.

In the West, where unemployment is lower, the government has added only 10,000 temporary jobs.

With a rush of public funds, local job offices have been scrambling to line up workers and projects. Much of the work is tunneled through private contractors that organize scores of public service projects and take care of the hiring and firing.

On the campaign trail, Mr. Kohl is taking credit for the slow decline in unemployment and boasts that the number of jobless workers will sink below 4 million by November.

"Companies are employing people again, not least in the small to medium-sized companies," he said. "The Social Democrats wanted to use this rotten mood to win, when they said in January we would have 5 million unemployed workers this year. But it hasn't happened."

But in Eastern Germany, the mood is grim. "All the work has been shifted to cheaper countries like Poland, Slovakia or the Czech Republic," said Mrs. Tauber, who found work as a seamstress.

The problem is, we can't afford to work that cheaply, because it costs as much to live here as it does in the West."

Neither party has much of an answer to that.

The huge increase in make-work jobs has put Social Democratic politicians in an awkward position. Though they support such jobs themselves, they argue that the current crop of make-work projects include many that are nonsense.

"It's quite frustrating if a common decision is not commonly put into force," said Werner Hoyer, German Social minister, who assailed the EU's lack of coordination as a grave mistake.

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EUROPE

Primakov Wins Approval in West, With Some Misgivings

By William Drozdak
*Washington Post Service***BERLIN** — President Boris Yeltsin's nomination Thursday of Yevgeni Primakov to become the Russian prime minister evoked cautious optimism in the United States and Western Europe.

The hope is that he will help restore political stability and will deal effectively with Russia's grave economic crisis.

The White House spokesman, Michael McCurry, said the U.S. "knows and respects" Mr. Primakov and looks forward to "a good and close working relationship" if he is confirmed by the State Duma, the lower house of Parliament.

The German finance minister, Theo Waigel, called Mr. Primakov "a politician who knows what's what and knows Russia is tied to the international com-

munity." Mr. Primakov is an expert on the Middle East and since last month has been acting foreign minister, after Mr. Yeltsin dismissed his entire cabinet.

His record over the previous two years as foreign minister and, earlier, as KGB intelligence chief suggests his government, which is likely to include Communists, will be skeptical about expanding policy cooperation with the West.

At a time when Moscow is desperate for economic help, persistent disagreements over key security issues involving the Balkans, Cyprus, Iraq and Iran have been deepening its estrangement from the West, according to U.S. and European officials.

"Whatever happens to the ruble and the Russian economy, the next government in Moscow will almost certainly have less maneuvering room for cooperation with the Western military alliance," remarked a top German politi-

cian who knows what's what and knows Russia is tied to the international com-

munity in Bonn. "Just when we need to broaden and improve our relationship, there is a real danger of anti-Western backlash."

U.S. and European diplomats have accused Mr. Primakov of throttling greater cooperation with the West in the name of preserving his weakening country's aspirations to retain big-power status.

In meetings with Western visitors, Mr. Primakov emphasizes that his main priority is to protect Russian security interests and to prevent strident nationalists from gaining the upper hand.

The Russian ultranationalist leader, Vladimir Zhirinovsky, one of the rare Russian politicians to denounce Mr. Primakov's appointment, called him "too pro-American."

Regardless of motives, Western officials say Russia's latest economic crisis has coincided with a stubborn re-

sistance by Mr. Primakov to play a more helpful role in resolving several crises.

In Kosovo, Russia's veto at the UN Security Council is blocking any prospect of NATO military intervention to stop the fighting and rescue some 250,000 ethnic Albanian refugees chased out of their homes by Serbian security forces.

Western diplomats said the six-nation Contact Group, which guides Balkan strategy among Russia, the United States and four major European powers, nearly fell apart after an acrimonious 12-hour meeting in Bonn two months ago, when Russia refused to countenance tougher sanctions, let alone military action, against Serbia.

The group has not met since then, even as the Kosovo crisis has deteriorated and a humanitarian disaster looms with the approach of winter.

In divided Cyprus, Russia is planning

to deliver S-300 anti-aircraft missiles by November to the government of the Greek Cypriots, a move that Turkey warns could trigger war in the Mediterranean.

Moscow has stymied UN inspections of chemical and biological weapons facilities in Iraq and has balked at giving assurances it will refrain from supplying nuclear technology assistance to Iran.

The NATO-Russia Council, a consultative forum designed to seal reconciliation between Cold War enemies, is floundering in distrust and inertia.

Moscow has bolstered its political and military presence at NATO headquarters, but General Wesley Clark, the alliance's supreme military commander, has complained that too many of its representatives are known to be military intelligence officers, more interested in snooping than building confidence in amicable NATO-Russia relations.

BRIEFLY

Fugitive Captured

ROME — Italian and French police captured one of Italy's leading fugitives, the financier Licio Gelli, who had been convicted in one of the country's top corruption scandals. Interior Minister Giorgio Napolitano announced Thursday.

RAI state TV said Mr. Gelli was arrested in Cannes on the French Riviera.

Mr. Gelli was under house arrest in his Tuscan mansion when he disappeared in May. In April, Italy's highest court had upheld his conviction on charges of complicity in the 1982 fraudulent bankruptcy of the Milan-based Banco Ambrosiano and sentenced him to 12 years and 8 months in prison. (AP)

Pesticide Treaty

ROTTERDAM — Aiming to protect people and the environment in developing countries, representatives of 80 nations prepared to sign a new treaty Friday that tightens rules on pesticides and other hazardous chemicals.

The treaty will require companies to get government permission before exporting such material.

The accord covers 22 pesticides and five industrial chemicals, including DDT. Many pesticides that are banned in industrialized countries are still being sold in developing nations. (AP)

Gay Unions Backed

PARIS — Half of the French approve of gay marriages and more than a quarter of them think homosexuals living together should also be allowed to adopt children, an opinion poll said Thursday.

But 99 percent of those surveyed still think the word "marriage" applies to a man and a woman.

The BVA polling institute asked 967 people about the French government's proposal to allow any two people living together to enjoy most of the social and fiscal rights now enjoyed only by married couples. (Reuters)

For the Record

PARIS — The French interior minister, Jean-Pierre Chevénement, regained consciousness on Thursday, eight days after falling into a coma during an operation in a military hospital. (Reuters)

Yevgeni Primakov, right, on Thursday with Vladimir Lukin, the chairman of the Duma, during inter-parliamentary talks in Moscow.

on tax evaders. Many economic observers think such a formula unworkable at best and a recipe for disaster at worst.

At least he will go into office with broad support from Russia's alphabet of political parties. His nomination defused the country's potentially dangerous political stalemate, being met with a near unanimous welcome from politicians.

Mr. Primakov, 68, repeatedly turned down Mr. Yeltsin's requests to be prime minister, but gave in when it was clear no other candidate could defuse Russia's

political crisis, Kremlin officials said. One of his attractions to rivals of Mr. Yeltsin is that, unlike Mr. Chernomyrdin, he has never expressed ambitions to succeed Mr. Yeltsin, leaving the way open for others.

He is a veteran of the KGB, and as a young agent was code-named Maxim. He headed the foreign branch of Russian intelligence from 1991 to 1996. He has long experience in the Middle East, where he was a correspondent for Pravda and covered the 1968 Middle East War.



David Trimble on Thursday after his meeting with Gerry Adams.

Rival Ulster Leaders Make Progress as They Meet Face-to-Face

By James F. Clarity
*New York Times Service***BELFAST** — There was significant progress in the Northern Ireland peace effort Thursday as officials said British troops would stop patrolling the Belfast area this weekend and that some paramilitary prisoners would be released in the next few days.

The decisions were welcomed by all sides in this predominantly Protestant British province, as David Trimble, leader of the Ulster Unionist Party, and Gerry Adams, the leader of Sinn Fein, the political arm of the Irish Republican Army, met privately for the first time in Parliament Buildings, the neoclassical site in the Stormont section of Belfast of the new Northern Ireland Assembly, which is to enact the political reforms of the peace agreement reached last spring.

The meeting was the second this week between Mr. Trimble, who is First Min-

ister of the Assembly, and Mr. Adams, who is a member of it. Until recently the two were openly bitter political enemies during the 30 years of sectarian violence in the province.

On Monday, the two men addressed each other briefly at a meeting of Assembly leaders for the first time. On Thursday, they went into a second floor room without benefit of aides and spokesmen and talked for 45 minutes about the issues still dividing them, principally the timing of disarmament by the IRA.

"It was the first time ever that a leader of Irish Republicanism sat down face to face with a leader of Ulster Unionism," said Richard McAuley, an assistant to Mr. Adams.

Monica McWilliams, a member of the Assembly representing the Women's Coalition, said, "After the painful summer we've had, we deserve one of these days." She added, "This is a good message to put out, that the heads of unionism and republicanism are sitting

down together." Of the negotiations to come in working out details of the peace agreement, which are supposed to give Catholics more political power, she said that there were still enemies in the Assembly.

"There are still people who hate each other," she said. "But still, this is an important day, a historic day."

The return of British troops to their barracks this weekend was announced by Ronni Flanagan, the police chief of the province who controls all security force movements. He said the withdrawal, which will mean no more young British soldiers stalking the streets in full combat uniform, will be possible because "we currently have a reduced terrorist threat."

He said it was a "distinct possibility" that some of the 17,500 British troops in the province would return to mainland Britain soon. A reduced British military presence on the streets is seen as a concession to Sinn Fein demands that the

province be "demilitarized" before the IRA can be expected to disarm.

Officials said that as many as 12 paramilitary prisoners, Catholic and Protestant, would probably be released before the expiration of their terms in the next few days. The early release of prisoners is a principal demand of both Catholic and Protestant groups.

Mr. Adams and Mr. Trimble both scoffed at questions from reporters asking whether they, as old foes, had shaken hands privately, symbolically this morning. They had not.

The two leaders said they had discussed the central problem of the negotiations: whether Sinn Fein members could become ministers in a new provisional government executive before the IRA began actual disarmament.

Mr. Trimble said it was a "chicken and egg" problem, avoiding his usual anti-Republican bombast. Mr. Adams refrained from his usual jabs at Mr. Trimble.

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Herald Tribune

INTERNATIONAL HERALD TRIBUNE

THE WORLD'S DAILY NEWSPAPER

RUSSIA: Yeltsin Yields and Chooses Primakov as Prime Minister

Continued from Page 1

Mr. Primakov faces a complex set of problems, including a currency crisis, a banking system teetering on collapse and a loss of confidence at home and abroad.

While it is not yet known how he will propose to deal with each, in the past Mr. Primakov has argued for a "Great Russia" approach that emphasizes independence from the West.

Sources said Mr. Primakov intends to pick a Duma member, Yuri Maslyukov, the last head of the Soviet central-planning colossus Gosplan, to be first deputy prime minister.

Mr. Maslyukov is viewed as more moderate than some of the Communists in the Duma, but nonetheless he is a champion of government aid to industry and a critic of Mr. Yeltsin's free market reformers, such as Anatoli Chubais and Yegor Gaidar.

Branson and Balloon Rival to Team Up

Agence France-Presse

LONDON — The millionaire entrepreneur Richard Branson announced Thursday he would link up with his American rival, Steve Fossett, to make another attempt at circling the globe nonstop in a hot-air balloon.

The two men between them have made nine failed attempts to be the first to fly around the world. Mr. Fossett's latest bid ended last month when his balloon fell 8,840 meters (29,000 feet) into the Coral Sea, 800 kilometers off the east coast of Australia. Take-off in the Virgin Global Challenger from Marrakech, Morocco, is planned for November. For Mr. Branson

it will be a fourth attempt. Mr. Fossett, who has made five, made the four longest flights in ballooning history.

For the first time they will have a back-up balloon in case of damage.

At a press conference at the Royal Aeronautical Society in London, Mr. Branson, head of the Virgin Group, referred to Steve Fossett as "formerly a major thorn in our side."

Mr. Fossett recalled that he was still on the rescue boat when Richard phoned and asked me to join the Virgin Global Challenger." Mr. Fossett said he was "feeling very deflated at the time," and the offer was "too good" to refuse."

MEMORIAL

A Memorial service for Mr. Harry H. Linn, deceased August 21st in Paris will take place the 16th of September 1998 at 6 p.m. at the American Cathedral in Paris 23, Av. George V.

Now the Starr Report

On Capitol Hill, tourists and civil servants pause when they sense history in the making. The television cameras showed scores of them watching as two black vans arrived on Capitol Hill with 36 boxes containing Kenneth Starr's report to Congress. The delivery may have signaled the beginning of a race. Can Bill Clinton apologize rapidly and completely enough to prevent the contents of those boxes from destroying his presidency?

We will not know the answer for a while, but there is no mistaking that this week has brought a more somber legal and constitutional vocabulary into play. By delivering his 445-page report with supporting documents, Mr. Starr, the independent counsel, was serving official notice that he believed he had found "substantial and credible" information of impeachable offenses.

House Speaker Newt Gingrich made the correct initial response, ordering that the documents be locked away until the House of Representatives adopts rules for how the Judiciary Committee will handle the information.

The abrupt delivery of the Starr report caught congressional Democrats and the White House off guard. It also speeded up the political clock for Mr. Clinton. His initial response, delivered through his lawyer David Kendall, was terse: "There is no basis for impeachment." The president delivered the same message in an emotional meeting with skittish House Democrats on Wednesday morning.

But before they and the Senate critics within Mr. Clinton's own party decide whether they will stand with him in an impeachment fight, they want answers to less legalistic questions. Are there other bombshells out

there? As Senator Bob Graham of Florida put it, does Mr. Clinton finally understand that "he's got a serious problem with the American people?" They also want to know if Mr. Clinton can get beyond what another Democrat, Senator Robert Byrd, has called the "delay and counterattack" strategy. In Florida on Wednesday, Mr. Clinton tried to show that he could be admitting to Democratic donors that "I let this country down." Yet there was an odd language in his description of visiting a school. He spoke of wanting "to be able to conduct my life and my presidency so that all the parents of the country could feel good." The language seemed to suggest that at some deep level the president fails to acknowledge how much of the story of his life and this presidency has been written in indefinable ink.

So, at the end of one of the worst days that any modern president has experienced, here is Bill Clinton's situation: He must produce a mammoth political effort to secure the forgiveness that he could have had with ease if he had told the truth on the day seven months ago when he wagged his finger at the American people and denied having sex "with that woman, Miss Lewinsky." Moreover, only a handful of people, including Mr. Clinton, know whether those 36 boxes actually contain information that would wreck his already fragile standing with the public and his party.

At this portentous moment, this president who has had so much trouble with the truth did produce one sentence of indisputable veracity. "I have no one to blame but myself for my self-inflicted wounds."

—THE NEW YORK TIMES.

A Matter of Privacy

Along with medical records, financial and credit records probably rank among the kinds of personal data that Americans most expect will be kept from prying eyes. As with medical data, though, the privacy of even highly sensitive financial data has been increasingly compromised by mergers, electronic data-swapping and the move to an economy in which the selling of other people's personal information is highly profitable — and legal.

Just how much of it is legal in the financial arena, though, is a complicated question. The Senate, struggling with a banking bill, is weighing a proposed amendment that would draw clearer lines. A judge at the Federal Trade Commission, after years of trying to police the sale of credit information to telemarketers, two weeks ago ordered one of the country's largest credit reporting bureaus to stop selling customers' sensitive data to such marketers in violation, the agency said, of the Fair Credit Reporting Act.

The Senate's attention to financial privacy comes in the form of a proposed amendment to a banking deregulation bill, already passed by the House, that would allow banks to merge more freely with the providers of other financial services, such as insurers. Once such institutions can merge, though, under current law they are under no restrictions on sharing even otherwise protected customer information from division to division. (The Fair Credit Reporting Act, which offers some though not comprehensive protection for credit information, does not impose the same restrictions on affiliated institutions.)

—THE WASHINGTON POST.

Other Comment

North Korean Provocation

In the midst of meetings between American and North Korean negotiators in New York, the Pyongyang regime fired a new, longer-range missile across the Sea of Japan and over the Japanese mainland. That provocative act constitutes a major setback in diplomatic efforts to draw hostile North Korea into the world community.

The launch clearly demonstrated North Korea's ability to strike at any major Japanese city. Tokyo's condemnation was prompt, unequivocal and correct. It said it will suspend talks aimed at normalizing diplomatic relations, freeze aid for nuclear power reactors and refuse requests for more food assistance. Once again, ordinary North Koreans will pay for their government's half-cocked behavior.

—Los Angeles Times.

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Russian Economic Failure Invites a New Stalinism

By George Friedman

AUSTIN, Texas — The "new world order" has collided with reality, and reality seems to be winning.

As the Russian financial markets collapsed, Russia passed beyond the help of the IMF, the World Bank or anyone else. The financial meltdown in Russia is irreversible. There is nothing that the West can possibly do to resurrect the Russian economy.

It is not a matter of money. The problem is that in Russia, money does not turn into capital. All investments are hopelessly squandered through a combination of inefficiency and theft.

For money to turn into capital, for investments to flourish, institutions must exist which guarantee such things as the lawful, predictable enforcement of contracts, reliable transportation of goods from one point to another, government neutrality in economic competition, and so on.

None of those things exist in Russia. Contracts are unenforceable, basic reliable infrastructure is nonexistent, and the government is not only unpredictable in its treatment of participants but at times deliberately destructive.

Russia is a different place. But the ideology of the new world order held that there are no different places, that all reasonable people behave in the same reasonable way and that, therefore, given advice by Harvard and Goldman Sachs, Russia would evolve economically.

It was also assumed that Russia would evolve politically, because it was assumed in general that with a growing economy, all reasonable people would come to look like everyone else. Prosperity would yield liberal democracy, and liberal democracy would make Russia an enthusiastic member of the international community, just like people from Wisconsin but with more beets in the diet.

Instead of this happy scenario, we see the re-emergence of the Communist Party as the decisive force in Russian politics. The political issue has not been what Boris Yeltsin or Viktor Chernomyrdin would do, but what the Communist Party, the largest party in the Duma, would permit them to do.

The fact is that Mr. Yeltsin can no longer govern without the support of the Duma, and power in the Duma lies in the hands of the Communists and the nationalist parties, including the strange fascist Vladimir Zhirinovsky, as well as other factions.

On the surface, this would seem to create a split in the Duma that the Yeltsin/Chernomyrdin faction should be able to exploit. In fact, there is a much closer bond between the Communists and the nationalists than one

might think. Indeed, it is this commonality of interest that brings us to the end of the new world order.

The Communist Party speaks for the lost Russia. It was a Russia of relative poverty but not of utter misery since that was gripped most of Russia since the collapse of the Soviet Union.

More importantly, Russia was a land in which the misery was shared, on the whole. The fantastic gap that has opened between a tiny oligarchy of wealthy men, who have used the new regime to enrich themselves, and the masses, who can barely feed themselves, powers the Communists' claim that, as bad as the past might have been, at least it was better than the present.

Thus it is the Communists who have been pressing Mr. Yeltsin to reject the demands of the IMF and the West that economic reforms be maintained and even expanded. Arguing that Western help hurt Russia, and also that no further help is being offered anyway, the Communists are demanding that reforms be rolled back. They want to renationalize the economy, impose wage and price controls, reinstate central planning, and end the convertibility of the ruble. In other words, they want to return to the status quo ante.

Implicit in the Communist position is a rejection of the assumption that Russia's salvation lies with the West. This technical anti-Westernism among the Communists is reinforced by the visceral anti-Westernism of Mr. Zhirinovsky's Liberal Democrats, the third largest party in the Duma.

For Mr. Zhirinovsky and other nationalists, the economic disaster is coupled with a geopolitical disaster. Under communism, Russia was a superpower, with standing equal to that of the United States. Today Russia is seen as a vassal of the United States, with any deputy assistant undersecretary of anything having the right to lecture and scold Russia's leaders as if they were schoolchildren.

Even more infuriating, the great Russian empire was given away, in return for nothing. Not only Eastern Europe but also the Baltics, Ukraine, Central Asia and the Caucasus were lost. Even parts of Russia itself, like Chechnya, can barely be contained.

The economic anti-Westernism of the Communists combines with the geopolitical anti-Westernism of the nationalists to create a powerful ideology that used to be called Stalinism. Central planning together with powerful internal controls and a deep sense of the geopolitical interests of the Soviet Union, as well as other factors.

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create a split in the Duma that the Yeltsin/Chernomyrdin faction should be able to exploit. In fact, there is a much closer bond between the Communists and the nationalists than one

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It is therefore time for the West in general, and the United States in particular, to begin defining a post-reform policy toward Russia.

Russia's foreign policy will be evidently clear — first, and above all else, reclamation of the old Soviet borders. The key to this, of course, is Ukraine.

Russia is already in a close federation with Belarus, and the re-integration of Ukraine is thus critical. Here the Bush-Clinton obsession with Moscow's nuclear weapons will cost the West dearly. Rather than strengthening Ukraine to resist re-emerging Russian imperialism, Washington focused on strengthening ties with Moscow, hoping to encourage reform. This has left Ukraine vulnerable to Russian pressure. It will not be able to resist.

It is the West's good fortune that recovering the Soviet empire will take the Russians a generation. But that process leaves the West with critical decisions to make. The United States has made massive investments in Central Asia. To what extent will the United States resist Russia's return? Will it extend NATO protection to the Baltics? If not, what policy does the United States propose?

Iran and Turkey will both oppose Russia's return to the Caucasus. What will U.S. policy be? If the Russians become more assertive, should NATO be further expanded to include utterly strategic Slovakia? If not, should it

attempt to include Poland and Hungary, or are they too exposed?

And then there is the return of the abysmal and eternal German question: Should the United States shoulder the burden of defending Europe again, or should Germany be forced into that role, recreating the problem that has burdened Europe ever since German unification in the 19th century?

Fortunately, Russia's strategic position is such that it will not readily return to global eminence. Many Armenians, Lithuanians and Uzbeks will have to die before that comes.

□

But even a regional imperialism by Russia poses a critical question to which Madeleine Albright and Sandy Berger appear not to have given any thought: What U.S. policy on a thousand sand issues if Mr. Yeltsin falls and, for example, Mr. Lebed takes power?

The new world order assumed that political and military questions were now marginal. Therefore, strategic planners in the Clinton administration, which inherited and celebrated the strategic legacy of the Bush administration, continue to ignore these questions in favor of familiar issues like IMF bailouts and reforms.

These issues are closed as far as Russia is concerned. Mr. Clinton does not seem to realize it. Critical questions are being ignored in favor of a fantasy that the Russian experiment in economic liberalism is not yet dead.

Mr. Clinton's recent visit to Russia had all the makings of a disaster. First, he met with a political corpse, and may have angered the leaders who already usurped power in every sense but the official. Second, he discussed economic issues that can no longer be managed, rather than posing the difficult political and military questions that now frame Russia's relations with the world.

The new Stalinism cannot be stopped. Communists and nationalists will form a coalition to govern Russia, sooner rather than later. They have a very different agenda from that of the outgoing regime. Mr. Clinton's summit made no sense, save that he believed that the economics-centered new world order could still be saved.

We expect that he met with Mr. Lebed and others. But what was he going to say to them? What was America's strategy? Thus far, it appears to be to avoid the obvious and to pretend that what is impossible can happen if we close our eyes and wish real hard.

The writer is chairman of Stratfor Systems, which provides forecasting to corporations. This comment has been adapted from the International Herald Tribune from a longer newsletter.

Corruption: Facing the Seamy Side of Economic Failure

By Flora Lewis

MARRAKECH, Morocco — The taboo word "corruption" is now front and center at international conferences on development, no longer the dirty word that no one is prepared to speak. This is a notable advance, because it is leading to some practical exchanges on how to deal with it.

The spreading economic crisis — East Asia, Russia, Latin America, perhaps Wall Street — has everyone worried. But the slogging effort to promote development is going on, with the same insistence that it depends on attracting investment.

Abandoning globalization is not one of the many lessons to draw from collapsing regional markets, was the conclusion at a meeting at the World Bank.

It was the second Mediterranean Forum, sponsored by the World Bank

and 10 think tanks in the area, with the idea of giving experts in the South a better chance to compare experiences and speak to each other, as well as to talk back to the lecturing North.

Some 450 people from 40 countries were present. They were neither big businessmen nor top officials but the kind of people who do the research and study the specifics underlying grand theories.

They were prepared to be blunt about why the Middle East-North Africa region is lagging behind some other parts of the world in economic growth, and they don't see crashing, as some "miracle" economies have done, as a reason to avoid pushing forward.

Rather, to a large extent, the focus was on reinforcing and

assuring gains by broad public participation and better governance. The view was that open societies are better able to weather economic storms.

"Decentralization" and "transparency" are the jargon words now, and they mean promoting civil liberties and accountability, which are both in short supply in the area.

One careful study showed that countries which permit strikes and demonstrations do not suffer the expectable setbacks but rather do better with investment projects than those with a firm surface stability achieved by repression. Tolerating "public expression of social tensions" turns out to be an economic plus.

Corruption is recognized as a severe economic as well as so-

cial malady, and the arguments that it "greases the wheels" or "is part of the culture," or "everybody does it," were roundly rejected. It is just that corruption is hard to fight when interests and habits are so deeply entrenched. But it can be done.

Ronald McLean Abarca, a former mayor of La Paz, Bolivia, told how he turned around an impossible situation in his city in a couple of years and went on to be elected to four terms. "Start in your own house, your own party," he said. "Tackle the easy problems first," to show early success and raise confidence. "Fry the big fish," to show that you mean it. The audience was rapt.

Farid Allagli, who identified himself as a director of the Arab Gulf Program based in Riyadh but turned out to be a

Libyan exile, rose to make an impassioned response about the need she sees for such programs. She is 51, American-educated and the mother of two daughters, she said afterward.

OPINION/LETTERS

Let Clinton Stay Clinton, And Let's Quit Whining

By William Safire

WASHINGTON — Nervous Nellie candidates, hand-wringing opinionmongers and parents doing a national slow burn should stop calling on President Bill Clinton to resign. Quitting under 36 boxes of evidence is not The American Way.

Nor is it in Bill Clinton's character. The most authentic moment of his presidency was his defiant assertion last month of wrongdoing and victimhood. With no phony lip-biting or spurious apology, he delivered his essential message: I regret that I was caught, but it's my private life so get over it.

That true baring of his soul was soon inundated by leaks from his frustrated speech writers of their rejected draft, which expressed sorrow and apologized to all, including Monica.

His stalwart wife had rejected such self-flagellation. Let Clinton be Clinton, advised Hillary, and the nation got a four-minute glimpse of the real man reading his own words and legal evasions. In return the president, with unmeasured gallantry, pretended to have lied to his wife for seven months, thereby giving cover to her conspiracy defense when they thought the charges could not be "proved true."

Now the summer soldiers and sunshine spinmeisters of his White House are demanding repeated repentence and the upward calibration of contrition so that at least the Democratic base will forgive.

But failed remorse demeans the office and earns no absolution. Let Clinton stay Clinton. Let him stick with his "indefensible" defense, play on the distaste of Americans at sustained self-abasement by their leader and make clear that resignation is not an option no matter what embarrassment the Star revelations bring.

Why this from a pundit who has been railing for two years that Mr. Clinton stole the 1996 election with illegal Asian-connection money?

Some will say my perverse support is rooted in a desire for a president to be twisting in the wind during the fall campaign, damaging Democrats is too profoundly political for politics.

Others may attribute it to a partisan concern that Al Gore, globally warming the presidential chair, would win election by acting against Iraq and North Korea.

Still others will say opponents

of resignation long for an inactivist executive branch, devoid of a spending agenda, too weak to deny Congress's tax cuts to the deserving nouveau riches. Another ulterior motive: We may await the spectacle of a parade of wronged or ill-used women being savaged by Judiciary Committee Democrats, with psychic wounds later dressed by a attorney Henry Hyde.

No, Virginia, your little friends are wrong, affected by the cynicism of CNN-ical age.

President Clinton should stay right where he is because the people elect presidents directly for a fixed term of four years. Our decision cannot be reversed by a parliamentary vote of no confidence. Resigning — even entertaining the idea on the excuse of the appearance of paralysis to the world — weakens the office and undermines the system.

That system, as we have seen, can take a lot of punishment. If the 36 boxes of evidence that Ken Starr delivered Wednesday go to show a pattern of abuse of power, the House will publish as much as decency permits and begin its impeachment inquiry.

We will have an undisturbed mid-term election. The next Congress will hold its open hearings and do its duty. If President Clinton remains in office, we will examine a new independent counsel's evidence of far greater abuse of power in the stolen '96 election.

Meanwhile, Bill Clinton is the fully empowered president. He will light the national Christmas tree, give the State of the Union address and respond to national security threats. Just as in the armed forces, where the uniform and not the person rates the salute, Americans will continue to respect Mr. Clinton the president no matter what they think of Mr. Clinton the man.

After years of contemptuous stonewalling, followed by months of salacious lip-smacking, a sense of solemnity is settling over the capital. Impeachment is too profoundly political for politics.

Our elected officials and press and public can digest and act upon the Starr report while running the country and leading the world. Nobody flinches; nobody rushes; nobody quits.

The New York Times.

BOOKS

STEAL THIS DREAM
Abbie Hoffman and the Countercultural Revolution in America

By Larry Sloman. Illustrated. 437 pages. \$27.50. Doubleday.

Reviewed by Wilborn Hampton

OALL the young rebels with or without causes who marched, chanted, tripped and protested their way through the 1960s and '70s, none was more of an enigma than Abbie Hoffman, a nice Jewish boy from Worcester, Massachusetts, who flung his way to the front lines of every battle fought during those turbulent years — from the civil rights campaign to the drug and sex revolution to the antiwar movement.

In "Steal This Dream," Larry Sloman attempts to piece together a rough mosaic of Abbie Hoffman through the reminiscences of a battalion of friends and foes alike — classifications that often became blurred over the years.

In his exhaustive research, Sloman interviewed more than 200 people who knew Hoffman and has attempted to turn their recollections into an oral history. In fact, "Steal This Dream" reads more like a sound-bite history, since few of the voices speak much more than a sentence or a paragraph at a time. But since Hoffman virtually invented the sound bite, it somehow seems suitable.

In the beginning, this staccato approach leaves the reader feeling as if he has wandered into a reunion of hippies who are all trying to talk at the same time. But as one grows used to it, the style becomes apt for portraying a generation that thrived on confusion and contradiction.

Who was Abbie Hoffman and what made him run? As Sloman demonstrates, if you ask 210 people you get at least 210 different answers.

Jerry Rubin: "If you were going to a demonstration ... Abbie would be the

one bringing the ice cream."

Norman Mailer: "Abbie was a serious man."

Sal Gianetti (a friend): "He was cuckoo."

His mother: "He was brilliant, just brilliant."

The book follows Hoffman's life in chronological order, starting with his family and classmates from high school, Brandeis, Berkeley; it trails him from his first demonstration (against the execution of Caryl Chessman), at San Quentin and his first ride (in San Francisco) back to Worcester and on to New York, where it was all happening, baby.

The opening skirmishes were being fought in what would become known as the countercultural revolution (read sex, drugs and rock-and-roll), and the rebel headquarters were in the East Village in Manhattan. Hoffman and his comrades formed the Youth International Party (call them Yippies) to oppose the Vietnam War. The problem was how to get the word out to rally the nation's youth. Hoffman figured that television could deliver the message free, straight into the living rooms of America.

Nobody knew how to get on television better than Hoffman. As he explained to a friend: "See, like at 7:26, after they've done all the heavy stuff, they gotta have a sign-off piece, something cute and weird and wacky and whimsical. So I know we can't get on at 7:03. That's Johnson's time. But we could get on at 7:26."

Among the weird and wacky and whimsical stunts that Hoffman helped stage were throwing dollar bills onto the floor of the New York Stock Exchange and watching the traders scramble for them, the protest march in Washington at which chanting hippies tried to "invade" the Pentagon and a "Yip-in" happening in New York's Grand Central Terminal that turned into a media

But they were dress rehearsals for what was originally billed as a Festival of Life, a mass protest against the Vietnam War, the road to an easy victory.

Sidney Lazard as North had the rare experience of making a natural noforcing bid of a new suit at the seven-level. Bramley as South bid seven hearts and realized just too late that he would have been wiser to bid seven diamonds, leaving his partner to

choose between the major suits.

In seven hearts, the trump queen represented an obvious problem. Bramley won the diamond lead with the ace and led the heart jack. He would have been left thinking if East had played low, but the queen was played. That would have been necessary if West had held the ten, but as it was the declarer had no trouble in making his grand slam.

In the replay, the Canadians reached seven spades, in theory fractionally superior. This could have been made by establishing clubs, but was defeated in practice. The Bramley team won 17, somewhat luckily, and was headed for victory.

Only two American teams made it to the round of 16: Bart Bramley and his squad won by 7 against a Dutch team; George Jacobs and his team won by 30 against another Swedish team.

In the Louis Vuitton Mc-

Connell Cup for women's teams, three American teams, headed by Gail Greenberg, Carol Sanders and Sue Pictus, reached the quarterfinals.

The top-ranked Canadian team, led by George Mitchell, clashed in the Rosenblum with Bramley and his squad, which had barely survived the qualifying stage. An exciting first deal, shown in the diagram, put Bramley on

the road to an easy victory.

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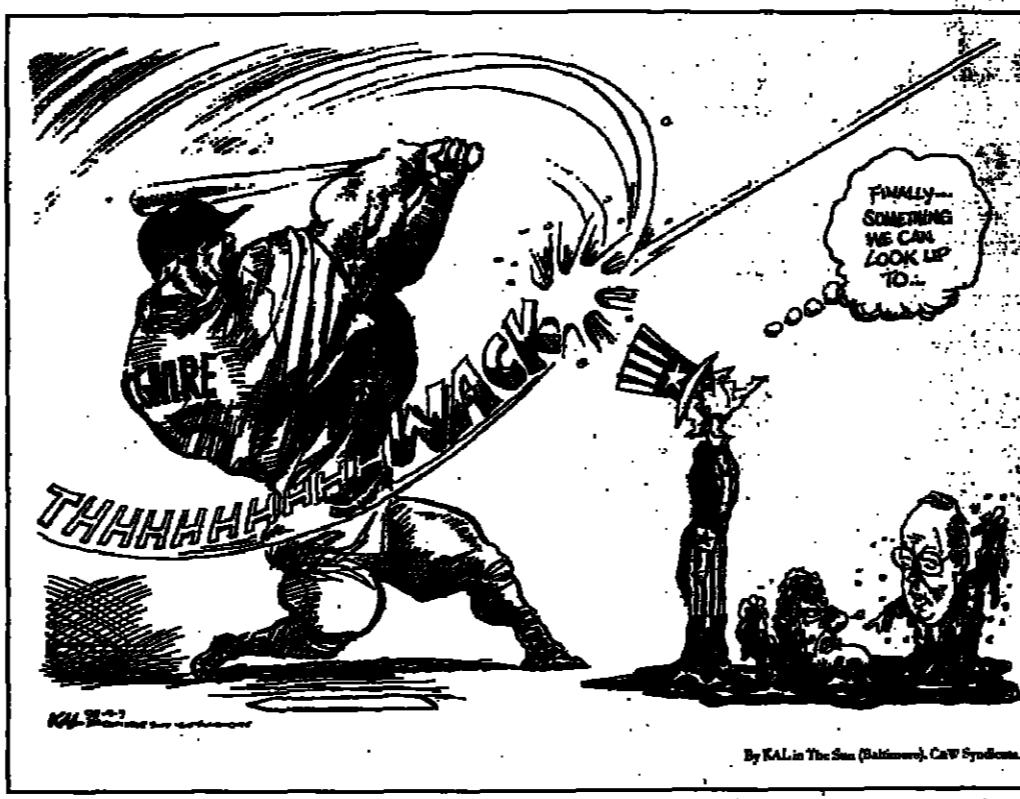
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other Swedish team.

In the Louis Vuitton Mc-



LETTERS TO THE EDITOR

About Clinton

Lewis's comments are hardly helpful.

His attitude toward President Clinton's peccadilloes is, wrongly, that they are a matter of private, not national, concern. Mr. Lewis's comment that it is Kenneth Starr, the independent prosecutor, who has damaged the presidency is also outrageous.

I wonder if my wife would accept such an argument: "It's not my misbehavior that's caused this trouble; you're the one destroying our marriage by asking too many pointed questions."

MARK F. RUDOLPH, Broom.

The Republicans shunt down the U.S. government in 1995 and it backfires on them. Now they are trying to shut down the president.

ALICE SEDGWICK WOHL, Coimbra, Portugal.

If Kenneth Starr's report only confirms what everyone already

knows and focuses on lurid details about sexual improprieties by the president, Mr. Starr and his factual supporters may cause a voter backlash against the Republicans in November. He has conducted the most absurd investigation since the Inquisition.

PETER M. LUTTERBECK, Lugano, Switzerland.

Muslims and Terrorism

Regarding "Muslims in U.S. Report Progress in Battling a Catchall Terrorism Label" (Aug. 29).

Oklahoma City and Northern Ireland, among too many other places, prove that all terrorists are not Muslims. The vast majority of Muslims are certainly not terrorists.

Terrorism's real victim is an open, global society. Most of the world is part of this society or aspires to become part of it. Terrorists, no matter what their origin or stated aims, are enemies of this society. They must have no place to hide.

The pertinent question is, are Muslims willing to strongly denounce and help bring to justice all terrorists, even if they are

ALICE SEDGWICK WOHL, Coimbra, Portugal.

The hate-filled demonstrations

in Pakistan after the U.S. bombings of Muslim terrorist sites in Afghanistan and Sudan make one wonder.

The media blitz from various Muslim organizations to counter Muslims' negative image in the West will do little. An effective effort to eliminate terrorists and their bases would do much more.

GERALD C. HARDY, Manchester, Connecticut.

Thinking About Karma In the Heights of Nepal

By Paul Spencer Sechaczewski

LE MATHANG, Nepal —

Trekking in the mountains of Nepal is a fine way to solve the world's great dilemmas.

I was staying for breakfast in the matted air at 4,500 meters (14,765 feet). I solved Bill Clinton's Monica Lewinsky problem (it involves her converting to Islam). Then I solved the Southeast Asian finan-

cial crisis by Exxon's taking over Indonesia on a long-term management contract.

Obviously, the spiritual vibes of Mustang, a remote corner of Nepal near Tibet that has been open to foreigners only since 1992, were working their magic.

Things got really philosophical while I watched the rarely seen Tiji festival, a three-day ceremony held in Mustang's capital of Lo Manthang, in which masked monks exorcise demons.

I asked him whether anything could be done to help the boy.

"It's our karma," he said. "My wife and I might have done bad things in a previous life, and our son might have done worse things."

Tashi added that he had gone to see the Dalai Lama's doctor in Dharamsala, in India, who confirmed a diagnosis of bad karma but nevertheless suggested that the boy take some medicine.

We shifted into a discussion of the aid organization that Tashi runs, called the Himalayan Children's Foundation. Through this group I sponsor the education of Tsering Wangmo, an 11-year-old Tibetan refugee girl.

She is a great kid. Bright eyes, a little shy, cute as can be. She writes me letters that break my heart.

Once she sent a poem: "King Queen Queen love baby Baby love milk But I love you."

Was it her karma to meet me through Tashi and get the education that might lead to a more successful life? Was it my karma to meet Tashi when two Canadian friends stopped by my house in Switzerland one morning to invite me on a bike ride with this friendly man from distant mountains? Was it Tashi's karma to have a handicapped son and devote his life to helping others?

Tashi has no doubts about his belief. "If you do good things, you will get good things," he said. "If you plant rice you get rice."

Do I understand any of this? Of course not. Pass me a beer, will you, while I read Tsering Wangmo's latest letter.

"Many years gone I will be a good and best and intelligent girl in the world," she wrote, adding, "That's all for today."

INTERNATIONAL

Iraq Vows Stern Rebuff To UN's Embargo Vote

Decisive Action' Forecast to End Sanctions

Agence France-Presse

BAGHDAD — Iraq vowed Thursday to take "decisive action" against the United Nations after the Security Council prolonged economic sanctions indefinitely as a way to punish Baghdad for halting UN arms inspections.

The newspaper Babel, controlled by Uday Hussein, President Saddam Hussein's son, said the time had come for Iraq to take the initiative and to force the UN Security Council to lift its embargo, imposed after Iraq invaded Kuwait in 1990.

"We need to undertake decisive action and not just to react," the paper said.

Babel stressed that the Iraqi lead-

ership "must choose the timing of a confrontation and take the initiative in battle and not play on their own ground."

In unanimously passing a resolution backed by Britain and the United States on Wednesday, the 15-member Security Council, in effect, extended the sanctions indefinitely.

It unanimously adopted Resolution 1194 canceling a scheduled sanctions review in October and suspending its regular bimonthly review until Iraq rescinded an Aug. 5 decision freezing cooperation with UN arms inspectors.

Babel said the resolution came as "no surprise."

Baghdad, it said, was "convinced the embargo will be kept in place so long as the UN and U.S. do not feel the negative effects of continued sanctions and until they understand they will start to lose points instead of notching them up."

The sanctions cannot be lifted until the UN Special Commission, overseeing disarmament, certifies that Baghdad is free of weapons of mass destruction.

Baghdad warned for weeks ahead of the Security Council vote that it would take "decisive measures" if the sanctions reviews were suspended, but it has not issued a specific threat.

The Iraqi Parliament, meanwhile, has proposed that Baghdad sever all links with the United Nations Special Commission, which has been allowed to proceed with routine monitoring despite the Baghdad ban on intrusive inspections.

Coinciding with the new Security Council resolution, Prakash Shah, Secretary-General Kofi Annan's special envoy, returned to Baghdad on Thursday.

He ruled out a mediation mission to Baghdad by Mr. Annan.

U.S. Stresser's Message

Barbara Crossette of The New York Times reported earlier from the United Nations headquarters in New York:

Peter Burleigh, U.S. U.N. chief delegate to the United Nations, said Thursday: "We're hopeful that the Iraqi leadership will get the message that a unanimous council has sent them. There's an urgent need for Iraq to change its policies and come back into compliance."

The resolution calls for a complete review of Iraqi relations with the United Nations, but not until the arms inspectors of the UN Special Commission and the International Atomic Energy Agency are allowed to resume work.

The council asked Secretary-General Annan — who proposed the review, to the consternation of some members — to explain what he had in mind.

Iran's envoy to the United Nations, Nizar Hamdoon, said Iraq would consider any and all options in response to the freezing of sanctions reviews.

Officials expect some kind of Iraqi reaction within days but are hesitant to predict what it might be.

China, the last holdout for some kind of olive branch to Baghdad, joined other nations Wednesday afternoon in accepting an unambiguous condemnation of Iraq and calling on Baghdad to rescind without conditions the decision to stop all intrusive arms inspections.

"We hope that the Iraqi side should comprehensively implement the relevant resolutions," the Chinese deputy representative, Shen Guofeng, said before the vote, adding that the council should respond promptly and positively to Iraqi compliance.

Russia also backed the resolution that suspends all future sanctions reviews, leaving Iraq without defenders.

"This resolution clearly speaks for itself," Sergei Lavrov, the Russian representative, said after the vote. "I believe it clearly states that the council doesn't like the current situation."

"Mullah Omar has instructed that only military targets be attacked so that civilians are not affected," the radio said.

The Iranian diplomats — Iran says there were 11 and one Iranian journalist — disappeared after the Taliban captured the northern opposition stronghold of Mazar-i-Sharif last month and was accused of killing thousands of Shiites there.

Amnesty International, the London-based human rights group, said Taliban fighters took revenge on Shiites, whom the militia accuses of being armed and supplied by Iran, their spiritual guardian. Iran denies the charge.

The militia's senior spokesman told the Afghan Islamic Press agency that the Taliban fighters who killed the Iranians would be caught and punished.

Turhan said Thursday that it would hold more major military exercises on the Afghan border and said thousands of troops would take part. About 70,000 troops were at the border last month.

Afghan Islamic Press said Taliban fighters had entered Bamian Province from Baghlan Province on Wednesday and were poised Thursday to advance on the capital, the town of Bamian.

(AP/Reuters)

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Leisure



A gateway in San Francisco's Chinatown, the city's second most popular tourist destination.

A Chinatown at the Crossroads

By Frank Bruni
New York Times Service

SAN FRANCISCO — Most visitors to this city's teeming, colorful Chinatown would probably never notice Hang Ah Alley. A concrete corridor between a restaurant and a playground, it looks like nothing more than a broad, tidy sidewalk, spruced up with a few adolescent trees and several new wooden benches.

But those trees and benches, along with several informational legends carved into the immaculately polished pavement, signal the recently completed renovation of the passageway, the first of 31 alleys in Chinatown scheduled to get face lifts over the next few years with \$2.9 million of city money.

The campaign to makeover the alleys reflects the constant efforts, marked by enduring angst, to keep Chinatown, the city's second most popular tourist destination, at once authentic and accessible, historic and modern, redolent of tradition without being petrified in the past.

Over the last two decades, Chinatown has changed slowly but surely, in small increments that have yielded big results. Its architecture and adornments have in many ways grown less flamboyantly distinctive — the golden, curved eaves on the corners of buildings less prominent, the individualized woodwork and tile patterns on the facades of many stores less common.

Plastic, glass, economy and efficiency have challenged, if not quite usurped, showmanship. And relentless tourism has wrought the same effect on Chinatown that it has on Fisherman's Wharf, San Francisco's most popular destination for visitors, just a few miles away.

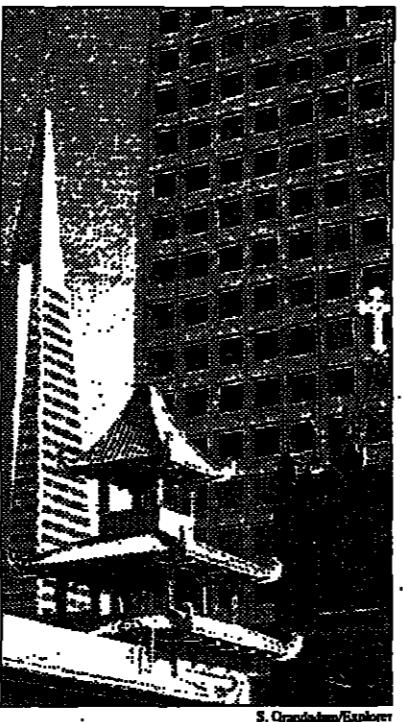
In both places, what began as a working neighborhood devoted to a particular enterprise or ethnicity has been homogenized, at least in part, into an all-purpose visitors' bazaar, rife with T-shirts and trinkets.

"It's just all mumble-jumble," said Enid Lim, a longtime resident. "The food markets have moved to the fringes, and the merchandise that the shops in the center are selling is schlocky." Lim belongs to the Chinatown Community Development Center, which is trying to steer the future of Chinatown in a di-

rection that respects its past. The alleys are one of the group's projects, and they represent the nexus of historic preservation and contemporary adaptation.

On the one hand, the alley project is designed to restore to use a network of commercial passageways, lined by tiny shops with doors but no display windows, that were traditionally vital to many Chinatown residents as the major avenues.

On the other hand, the project gives a



The traditional and the modern stand side by side in Chinatown.

nod to the interests of tourists, festooning the alleys with historical lessons.

"Hang Ah means fragrant in Chinese," explains the carved letters on one of a series of legends that a person walks over while traversing Hang Ah Alley. The alley got this name, the legend explains, "when a German chemist opened a perfumery."

But while the alley renovation has been greeted with almost unanimous approval, other bids at historic preser-

vation have not always been so popular. For example, attempts over the last two decades to have Chinatown declared a historic district failed, in large part because many merchants, property owners and developers worried about building restrictions and other rules that would impede profitability.

TENSION That opposition shone a light on an ongoing tension in Chinatown: Is it best served by letting it adapt to market forces, the way other neighborhoods do — or by conserving its more individual characteristics?

Philip Choy, another longtime resident, said that too much conservation was an impediment, an insult of sorts. "It's like saying we're people in this little artificial zoo for visitors to see," he said. He added that he used the word artificial because what is commonly perceived as traditionally Chinese about Chinatown's architecture is, in fact, an invention to please outsiders. "It was never really Chinese in the first place," he said. "It was pseudo-Chinese."

Indeed, Choy and other historians of Chinatown noted that most of the brightly lit pagodas and fancifully detailed buildings were constructed after the 1906 earthquake, in a calculated attempt by Chinese residents to stave off city officials' plans to move them out of the city center. The idea was to create a neighborhood so appealing and idiosyncratic that no one would want to dismantle it.

But time, tourism and soaring real-estate values around San Francisco's Financial District, which threatens to encroach on Chinatown, have done some of what city officials at the turn of the century could not. In a few cases, small stores have ceded their lots to office towers; in other cases, the Chinese stationery store with its ornate bronze door, or the Chinese grocer with his pungent, savory offerings, has been replaced by a glass-walled electronics shop.

Those changes sit uneasily with many of the 15,000 residents of Chinatown, about 85 percent of whom are Chinese. "Chinatown is not just for tourists," said Rose Pak, a consultant to the Chinese Chamber of Commerce. "It's still for living. The question is how we can maintain the character and integrity of Chinatown while keeping it functional?"

MOVIE GUIDE

Firelight

Directed by William Nicholson. U.K. When Elisabeth (Sophie Marceau), a beautiful Swiss governess, meets Charles (Stephen Dillane), a handsome British aristocrat, for discreet late-night whoopee sessions at a picturesque little hotel on the north coast of France, she knows she is not supposed to feel any pleasure. Their carefully planned dates are just a business arrangement. *In return* for money to pay off her father's debts, she is to conceive and bear Charles the child that his wife, who has been lying in a vegetative state since being nearly killed in an unspeakable accident, cannot produce. But when the earth moves for Elisabeth on their third night together, you can be sure that somehow, somewhere, she and Charles will reunite even though their deal calls for them never to meet again. So begins William Nicholson's movie "Firelight," a lush, high-toned bodice-riper set in the late 1830s and well acted by Marceau and Dillane. Nicholson, a screenwriter ("Shadowlands"), making his directorial debut with an original script, gives this romance-novel hokum a soothily sensuous "Masterpiece Theater" gloss and wraps it in a sound track of glutinous schmaltz. The world of "Firelight" is a smoothed-out, soft-focus fantasy of 19th-century British life. Even in the movie's stormier moments, it feels like "Jane Eyre" filtered through rose-colored glasses. Jumping ahead nearly a decade, the film finds Charles the doting father of a spoiled, tantrum-throwing brat named Louisa (Dominique Belcourt). The girl is such a handful that she has driven all her governesses quickly

from the premises. One day salvation arrives in the form of Elisabeth, a proto-Stella Dallas, whose maternal instinct has driven her on a years-long quest to find her dear lost little one. Charles's wife's sister, Constance (Lia Williams), who runs the household and who is unaware of Elisabeth's identity, hires the stranger on the spot to be Louisa's new governess. When Charles arrives home and meets his new employee, he is furious that Elisabeth has broken their contract, but he agrees to let her stay for a month. Not long after that, the earth begins to move again, as Charles and Elisabeth undertake a clandestine affair that grows hotter and heavier with each passing whoopee session. Will true love conquer all? Or should Elisabeth marry Charles's nice American friend, John (Kevin Anderson), who is visiting from abroad and is instantly taken with her? Will Louisa ever discover that her governess is really her mother? Amid all these questions, financial disaster suddenly looms for Charles. But not to fear. Here in the land of pseudo-Victorian suds flakes, true love usually wins out and little monsters can be remade overnight into petite, demure princesses. Even the also-rans in life's romantic sweepstakes accept defeat with a stiff upper lip and a fond farewell. Isn't love grand? (Stephen Holden, NYT)

Ever After

Directed by Andy Tennant. U.S. The mousies can't sing, the pumpkins aren't magic and Leontine da Vinci replaces the wand-wielding fairy godmother in "Ever After," a dazzling, Disneyfied rendering of the Cinderella

story. It's a shame about those adorable rodents, but it's high time that sappy cinder girl had a makeover. Fairy-tale heroines are role models, after all, and Cinderella was created for girls growing up in 17th-century France. There were plenty of royal families in those days, so waiting for your prince to come may well have been a practical ploy. Nowadays, princesses are not only scarce as unicorns' horns, but also far from charming. "Ever After" is set in the 16th century, but the picture's spunky protagonist, Danielle (Drew Barrymore), is a radiant, positive Cinderella. No longer a passive pushover, this scullery maid is empowered. If her prince comes, he comes. Meanwhile, she's got a dysfunctional family to deal with as well as her late father's estate to maintain. Director Andy Tennant ("Fools Rush In") and writing partners Susannah Grant and Rick Parks retain the trappings of the period, with its bespangled costumes, gorgeous chateau and formal gardens. But they also flesh out the characters, provide reasonable motivations for their actions and similarly deepen their relationships. Though grounded in the world of real emotions, the story retains its old magic. The prince (Dougray Scott) has bonhomie and a brooding sensuality along with the bloodline. Unlike Disney's princesses, he also has dialogue. He's a fully drawn young man with his own problems — foremost among them his forthcoming arranged marriage to a Spanish princess. He's running away from his responsibilities when he meets Danielle, who wins his heart and mind with her kindness, intelligence and independence. (Rita Kempley, WP)

A Vendre

Directed by Loetitia Masson. France. France, on her wedding day, prefers to take the money from her fiancé's safe and run. Played by the athletic Sandrine Kiberlain, France is a wounded young runner who prefers cash to declarations of love. But this time, there is a detective (Sergio Castellitto) on her trail, paid by the jilted fiancé (Jean-François Stevens). The detective, it turns out, has also played for high stakes in a marriage and lost; as he gets closer to France, he grasps the meaning of her bewildering race. He has interviewed her parents, who never loved her; her boyfriend, who never cared, and a cast of employers who exploited her — leading to one friend, a good-hearted whore (Chiara Mastroianni) who understands her pain. In her brief career, France has done a bit of everything to devalue herself, from cleaning toilets for the careless rich, to peddling a portfolio of dream bedrooms to homeowners who have no means or illusions. "Just say you're not interested, and I'll leave," she apologizes. Her last client is a mute, and she stays on with him in another costly move. The story, told in flashback, is at times too spelled out, with jerky transitions of style; one of the best scenes is when the detective confronts his former wife (Mireille Perrier) in an awful attempt to win her back, Cassavetes style. Masson in her second film — after "En avoù ou pas" — trains her investigatory eye on sad transactions between the sexes in a society out of whack with real dreams and real needs. (Joan Dupont, IHT)

Off the Beaten Track — Way Off Life on a Stepping Stone in the South Atlantic

By Robert O. Paxton

GRYTVIKEN, South Georgia Island — As we prepare to go ashore on this remote sliver of British territory, 1,200 miles east of Cape Horn in the far southern Atlantic Ocean, it feels more like war than a holiday. Before the operation begins, we are summoned to a briefing in the ship's dining room. No one who misses it will be allowed into the Zodiacs.

We are told in no uncertain terms what we must do and what we must not. We are to descend the gangplank of the 370-foot Akademik Ioffe, a chartered Russian polar research vessel, one by one. We are stuffed into sweaters, waterproof slickers and boots, and are creamed and goggles against ultra-violet rays of the January sun. We are reminded that the damaged ozone layer offers diminished screening from these burning rays in the far south.

At the bottom of the gangplank, we await instructions from a crewman stationed there. Another crewman waits in a tiny bouncing rubber raft — a Zodiac — to brace our steps. The instant the ocean swell lifts the little craft up to the lowest step of the gangplank, we are to put one foot on the raft's rubber gunwale and step onto the flat bottom. Zodiacs, oblong doughnuts of tough rubber tubing with an outboard motor, were designed by the oceanographer Jacques-Yves Cousteau. Used worldwide for remote landing, they are fast, safe and maneuverable, but wet.

Once at the land's edge, we must group up before advancing. Southern fur seals are barking and baring their teeth not far up the beach. We are to get no closer to them than 15 feet. This is partly for their protection, partly for ours. The young male seals bounce at us, while the calving females lie languorously on the black pebbles and the dominant male strikes heroic poses, his nose in the air.

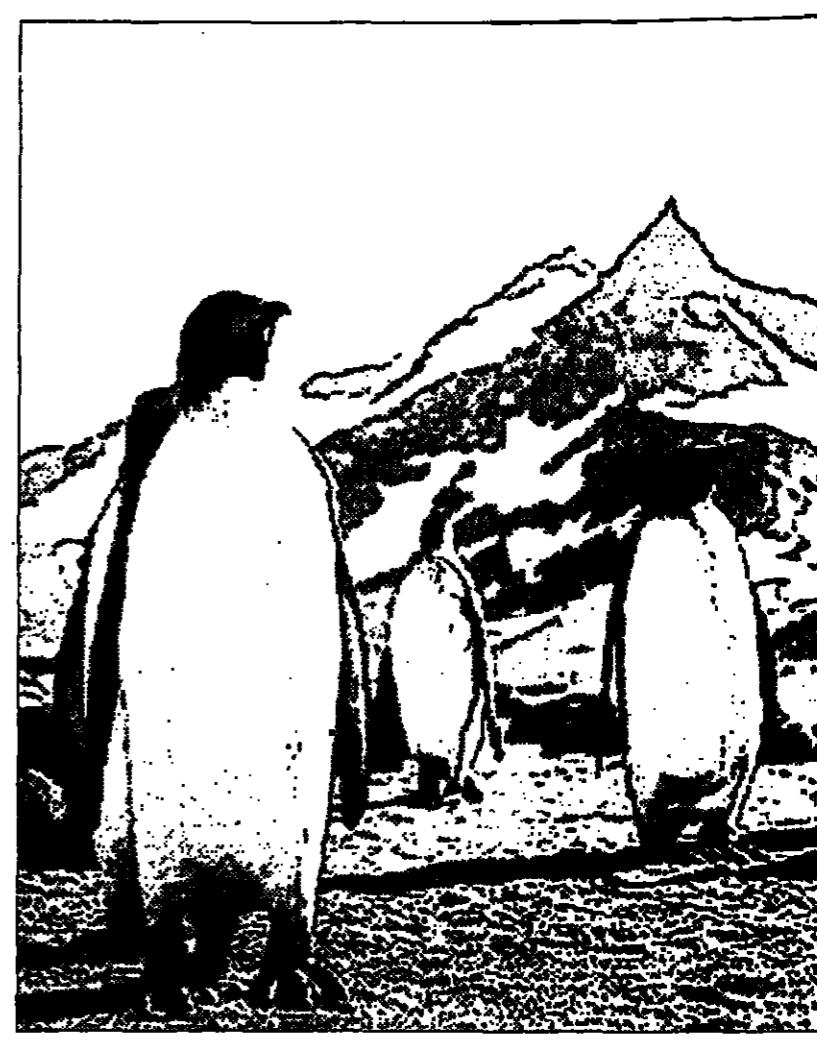
A bit farther, a scrum of elephant seals lies piled on the beach. They lift their huge heads to look at us, mouths agape. A line of king penguins marches up stiffly to examine us, looking, as the polar explorer Apsley Cherry-Garrard wrote in 1922, like self-important but portly gentlemen late for dinner.

We are stepping into a scene of utter biological prodigality. It is January and the myriad mammals and birds that inhabit the far southern Atlantic have only a few short months and a few stretches of ice-free beach to reproduce. Soon, snow and ice will send them back to sea. All around us on these stony beaches at the edge of the ice they fight for territory, breeding, killing prey, feeding young or becoming prey in their turn.

LAND OF KINGS

King penguins pack the available meadowland back of the beach. Their chicks, far more unkempt than their sleek black and white parents, fill shaggy brown coats to bursting. They stand packed into nurseries. Each adult can somehow distinguish its own hungry chick's call among the chorus of young or becoming prey in their turn.

MOVIE GUIDE



Penguins getting a closer look at some humans on South Georgia Island.

overwhelm our effort to take it all in.

The smaller penguins — gentoos and macaronis — nest on hills farther back. The adults are constantly going and coming across the beach. Some are arriving from fishing expeditions at sea porpoising up to the beach and jumping out. Once ashore, they stamp inland purposefully, pigeon-toed, flippers outstretched for balance. They are capable of climbing a mile or two across stony scree and ice up their hillside colony, to bring their chicks a meal of half-digested squid or krill, or to relieve their mate on the egg.

The most dramatic creatures on South Georgia are the albatrosses. The giant white wandering albatrosses nest at the top of steep islets covered with tussock grass, along a stretch of the northeastern coast called the Bay of Isles. With a wingspan spread over 11 feet, they are the largest flying birds. Having watched them sail motionless over open ocean for hours on end behind our ship, watching us watching them, we understand why sailors were superstitious about them.

In January, wandering albatrosses occupy the two-foot-high hummocks of vegetation they have built to hold a single egg. When we land and climb up their islet, they sit on their mounds and stare at us. Infinitely graceful light-mantled sooty albatrosses maneuver their eight-foot pearl-gray wings along cliff faces where their single chicks are tucked into grass-grown ledges. Innocent of enemies, these birds make us feel we have arrived minutes after the Creation.

South Georgia has more vestiges of human history than we expected. A dozen abandoned whaling stations are rusting at the head of fjords. As our ship enters Cumberland Bay, midway up the eastern coast, we see the remains of the Norwegian whaling station of Grytviken as a reddish smudge along the green shore, under looming black peaks and blue-green glaciers. As we approach, we can make out corrugated-iron sheds, steel tanks and sunken whaling vessels, some with a harpoon gun still in place.

Grytviken was active from 1904 to 1964, and is the most accessible to tourists of the South Georgian whaling factories. But since South Georgia gets so few tourists, there are no facilities. Except for the white wooden gothic church, built in 1913, the buildings — vast sheds and vats of the whaling factory — are rusting away. Grytviken is a double ghost town. The men are gone, and the whales are gone. After it became possible in the late 19th century to kill the great whales with explosive harpoons, the world's whalers killed a million and a half of them.

NINETY years ago, the whalers of Grytviken didn't even have to leave Cumberland Bay to catch their fill. We found some only once in four days in the waters around South Georgia: a couple of humpback whales that spouted and lolled on the surface and pushed their snouts into the air for a look at us.

Before we leave Grytviken, we stop at the cemetery for the ritual toast to Sir Ernest Shackleton. The legendary Antarctic explorer died in Grytviken in 1922 while preparing another attempt to cross the south polar ice cap.

Shackleton is most famous for rescuing his entire crew after an ill-fated expedition to cross Antarctica in 1915-16. After their ship *Endurance* was caught and crushed in the ice, Shackleton was eventually able to sail one of the ship's 20-foot lifeboats across 800 miles of open ocean to South Georgia in a hair-raising miracle of navigation and endurance. He arrived on the wrong side of the island, however, and had to cross the glaciers of interior South Georgia on foot before he could find help at the whaling station of Stromness (a few miles from Grytviken).

Our cruise continued southward to the starker Antarctic Peninsula, all ice and rock. South Georgia is the ideal stepping stone to the harsher Antarctic: a land in-between, ice at its core, green around the edges in summer — the scene of intense human and animal striving.

Robert O. Paxton, a former president of the Linnean Society of New York, wrote this for The New York Times.



Sophie Marceau in "Firelight," a romance set in 19th-century Britain.

LEISURE

Gritty, Magnificent Port Whitby

By Jason Goodwin

WHITBY, England — "Old sailors never die," says a card pinned to an old fisherman's cottage here, "their float just stops bobbing." Thus, I guess, is saucy seaside whimsy. The incised legend "Coroner" above a nearby doorway in Whitby in northern England reveals a grittier seaside truth. On the rocky Yorkshire coast the Whitby lifeboat has been busy for generations. Whitby men lived from the sea, and often enough they died on it as well.

Yorkshiremen — and certainly Yorkshire women — have grit as Parisians have chic. They are known to be stubborn and hardheaded. St. Hilda put Whitby on the map when she established a monastery on this perilous shore in A.D. 657. Six years later she presided over the Synod of Whitby, at which the King of Northumbria made the hard-headed decision that England would follow the Roman church and calendar, and abandon the rites of the humbler, native Celtic church, which she embraced.

St. Hilda, and the king, had grit, and the quality remains. The town's beaches are gritty, the countenances of the tatteredmen positively stony and a hard-edged realism characterizes the vagaries of Whitby's past. Not content with shaping the fortunes of Christianity for all time, the port later sent Captain James Cook to discover Australia. In the 18th century Whitby took to whaling with an enthusiasm not surpassed elsewhere outside Nantucket. The Whitby lifeboat is said to have rescued more people on a single day than any other in recorded history when nine ships were driven onto the rocks in 1861. Whitby even supplied Queen Victoria with her favorite jewelry.

These days the little port stands huddled and sloping on the banks of the River Esk, which rolls out of the barren North Yorkshire Moors and into the North Sea. The town climbs steeply to the cliffs, the narrow streets lined with fisherman's cottages and pierced by

narrow alleys, or *ghaubs*, which lead down to the harborside. Some of these old houses have cellars three floors deep, and many can be approached only on foot. Higher on the cliffs the ruins of the seventh-century abbey and the Norman church, like the elegant Georgian residences on St. Hilda's Terrace, gaze loftily out to sea.

Once, no doubt, the occupants kept aloof from the pubs and creels, the sailors' brawls and poverty of the lower port, but yesterday's slums are today's picturesque, and though as late as the 1950s the authorities were gaily demolishing chunks of disreputable old Whitby, these are the very crooked, overcrowded dens that visitors come to see, full of fudge shops and jewelers and secondhand bookstores. You can eat vegetarian here, or buy a Belgian chocolate or stay in Charles Dickens' bedroom at the White Horse and Griffin inn on Church Street, with a real fire in the grate and a good fish restaurant downstairs.

Church Street, old Whitby's main street, is a cobbled lane that ends for all practical purposes in an almost vertical rise to the church and abbey on the cliffs above. The abbey stands gaunt and beautiful, its sandstone walls pockmarked and rifted by the wind, its lovely Gothic tracery framing a view of the sky.

Vikings destroyed it once; Henry VIII finished it off in the 16th century when he plundered the English Church, selling off its land and institutions to the highest bidders. The Cholmley family built their fine Carolingian banqueting hall nearby in the best classical manner, using stone from the abbey. But look around the hall today, and you will find that it, too, is only a facade. The rest blew down in a gale in 1776. There's a fine old church, St. Mary's, up there, with a triple-decker pulpit equipped with listening trumpets for the benefit of a Victorian parson's deaf wife.

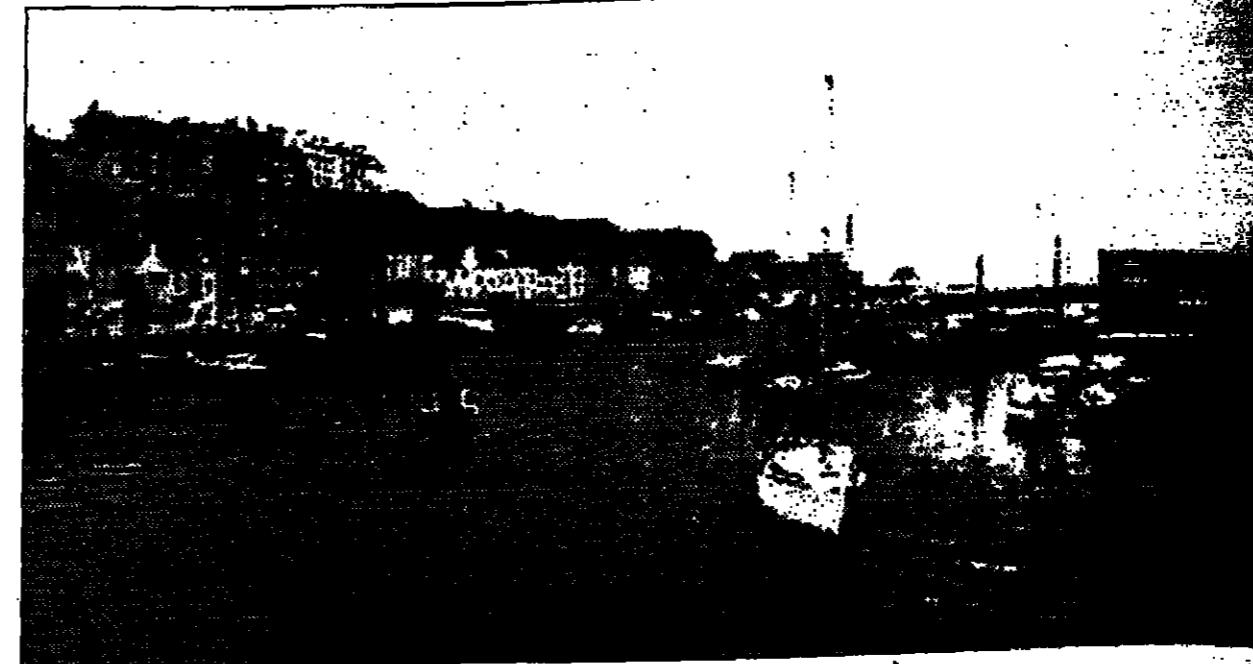
In the old days, parts of the unstable cliff would suddenly drop, hurling houses and tombstones into the sea, exposing old bones and skulls for children to play with. It is hardly surprising that the original Dracula of Bram Stoker's 19th-century novel reached England on a Whitby ship, and hid out in a grave in the cliff-top churchyard.

Stoker wrote much of the book in the town, in a determined effort to out-Gothic Mary Shelley's "Frankenstein." Local people's feelings for Dracula are muddling. Some of the wretched pilgrims to this literary location have caused disquiet by their midnight antics in the graveyard, and, anyway, there is something rather undignified about being a backdrop in a spine-tingler. Residents prefer the great whale jaws set up in an arch on the West Cliff, recalling the port's whaling days, hard by a monument to its most famous son, Captain Cook.

Whaling rescued the town in the 18th century, when the whale became the backbone of the industrial revolution. Leviathan could be put to so many uses. His oil, for instance, lubricated the first machines. His teeth stiffened corsets and made fine umbrella spokes and window blinds. By the 1700s cleanliness was in fashion, and whale oil made a fine soap. Whitby used the whale remorselessly. Massive jawbones were turned into building frames. On Nov. 11, 1825, 100 gentlemen "and respectable tradesmen" sat down to a dinner to celebrate the installation of public lighting in the town — lights powered by whale oil.

AWKWARD ACCESS Whitby's awkward access made natural navigators of its population. The town is not an island but it has an island mentality, cut off for so many centuries by the sea and the moors. At least one young shipmaster out on those desolate moors used the skills he had picked up at sea to guide him safely home in foul weather. Captain Cook discovered Australia in a Whitby coal ship, and the lessons he learned in the Whitby trade made him one of the world's greatest navigators.

When Queen Victoria plunged into prolonged mourning on Albert's death in 1861 she popularized jewelry fashioned from jet at the very moment local turners discovered a way to carve the black stone on a lathe. Jet is native to Whitby, the



A view of Whitby from the River Esk, which rolls out of the barren North Yorkshire Moors and into the North Sea.

fossilized remnant of the monkey puzzle tree, it is mined from the cliffs and found on the beaches, and when cut and polished it glows. For a while the industry employed hundreds of workers.

The town is still hard at work. The fishing is not what it was, but there is a fleet of bulbous, battered trawlers in port, and the fish market opens every morning on the quay. The morning I visited, just one boat had unloaded its catch, and there were only four buyers; but the auctioneer shouted and ratcheted up the excitement as if he were addressing a roomful of eager wholesalers.

There must be more fish and chips shops per capita here than in any other English town, and they are very good.

THERE'S the factory where they make Burberry raincoats. There's the marina, where they tend other people's boats. Having once lost the art of carving jet, Whitby has picked it up again, and you can buy newly made earrings, rings and bracelets of pure black stone all over the old town.

Visitors who want respite from the genteel bustle can take a bracing walk

along the cliffs to Robin Hood's Bay, 10 kilometers (six miles) to the south. This, like Whitby, was a fishing port once, but far smaller and poorer. It is really a very large tun. There is a model of the very first crow's nest, devised by Captain William Scoresby in 1807 for picking a channel through the Arctic ice, and pieces of bone carved by sailors, and curiosities brought back from Africa and the East. Also on view are ivory ships carved by French prisoners of war, a Japanese suit of armor, and any number of guns and pistols and coins and medals.

I had already decided that this was the nicest museum I had ever seen when I stumbled through a side door into the mahogany-lined library and reading room of the Whitby Literary and Philosophical Society, where half a dozen members were reading quietly at the tables. Here were more than 4,000 books on Whitby, birds, fossils and explorations. They weren't all old and dusty either. I wasn't hooked; I was flatly harpooned.

Jason Goodwin, a journalist who lives in England, wrote this for The New York Times.

THE FREQUENT TRAVELER

A Fine Balance: Matching Capacity With Demand

By Roger Collis
International Herald Tribune

DESPITE predictions of global meltdown after dire economic news from Asia, Latin America and Russia, my own straw poll of travel experts suggests that while North America and Western Europe may be on the verge of a cyclical downturn, with some corporations tightening up on travel, few people are talking about a global recession.

You don't have to be a professional cynic to believe that what's bad for the travel trade is good for the traveler. But this depends on the fine balance between supply and demand. Outside Asia, airlines and hotels have successfully matched capacity with demand and are still enjoying a seller's market with high load factors and occupancy rates. Whether this will shift to a buyer's market is an open question. But don't expect travel to get any cheaper any time now.

"Airlines have been doing pretty well keeping capacity growth half a point behind growth in demand, or not straying more than a percentage point above it," said Tim Dunlop, a spokesman at the International Air Transport Association in Geneva. "We think this year that capacity growth is going to be a point ahead of demand because of the slowing down of the market and with airlines still taking deliveries of new planes despite the Asian crisis. Asian carriers have been smart and fast in adjusting their capacity to falling demand. Garuda and Philippine Airlines have got rid of large numbers of planes; two regional carriers in Indonesia have stopped flying altogether."

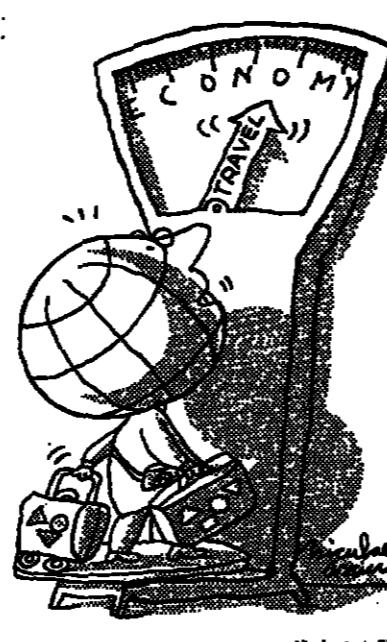
The main generator of air traffic is not price but economic activity: If GDP is growing at, say, 2.5 percent, airline traffic will grow at about 5 percent. This has been the main reason for the incredible growth in Asia — up till now, Asian economies were growing at 5 or 6 percent with air traffic growing at 10 or 12 percent. Last year we had a record number of passengers with load factors up to 72 percent. At that level you start to turn people away at peak periods.

ods, especially on the North Atlantic, which is 21 percent of world international travel.

The Association of European Airlines (representing 28 carriers) reports that passenger growth within Europe and on North Atlantic routes was around 9 percent higher in July than a year earlier, with load factors reaching 82.4 percent on the North Atlantic. Business-class fares from Europe to North America rose by 4 percent in the second quarter of 1998 and 14 percent, year to year, according to the latest American Express Corporate Travel Index. Business-class fares from Britain rose by 3 percent, quarter to quarter, contributing to an 8 percent rise over 1997 and a 19 percent rise over the last two years. Kyle Davis, vice president for purchasing management, at American Express in Paris, said travelers in Britain could save more than 60 percent simply by moving from business class to unrestricted economy tickets. "On some European routes, 25 percent can be saved the same way," he said.

Hotel rates worldwide have risen by 5.8 percent in the first six months of 1998 despite plummeting tariffs in Asia, according to Hogg Robinson Travel's interim hotel survey. The average price paid was \$86.50 (\$143) a night across 49 countries.

INTO RECESSION? Carolyn Moore, divisional manager hotels at Hogg Robinson in London, said: "I'm amazed at the diversity of reports — depending on which paper you read — as to whether we're heading for a recession. There are indications that some companies have tightened up on travel a bit, are more cautious about the need to travel, but we haven't felt that our clients are suddenly pulling in their belts. I think we will see more of a buyer's market, but the extent to which it will switch will be far less than you might think because of the run-up to the millennium celebrations to keep hotels in sufficient business. I could be wrong. But I question how deep the downturn is going to be. It's certainly not all gloom and doom: I think it's going to be a much softer landing in key markets like London."



Here are some ways to get the most from your travel budget:

• This could be a good time to negotiate a corporate route deal with the carrier you use the most — or the carrier most desperate to increase its volume or share of market. Exploit airline alliances by playing off one partner against another on the same routes. You may be able to get discounts of up to 50 percent on published fares depending on how many "seat miles" you agree to buy a year. The same applies to hotels.

• You may be able to save 10 to 40 percent by "split-ticketing" — a device whereby you buy a one-way ticket out and a one-way ticket back based on local currency. If you travel frequently to a destination — especially in Asia — consider buying a one-way ticket out and a series of round-trip tickets at the other end.

• Traveling between Europe, North America or Asia you can save serious money on published round-trip fares of your home airline by traveling via a hub in another country, a strategy that I call "cross-border hubbing." Combine two trips for the price of one by stopping over to do business en route. Carriers always do their best deals in someone else's back yard. Thus British Airways will probably sell you a cheaper long-haul fare if you live in France or Germany.

'New' Laguna Aims for the Top

By Gavin Green

ONE of the truisms of car styling is that face-lifted cars are invariably uglier than the originals. It's much the same with people, of course. A nipp there, a tuck here, and — voilà! — the result is often a smooth-skinned zombie.

Cars look uglier after they've been subjected to the stylists' scalpel because in most cases designers do their best work the first time around. For the marketing-inspired revamp, intended to make the car look fresh and boost sales, they are forced to make change — but rarely make an improvement. Used car lots are littered with Mi2 models that are clumsy descendants of sleek originals. Notable disfigurements include face-lifted versions of the Fiat Uno and Tipo, all Alfa Spiders that followed the gorgeous original, the revised VW Beetle and the square-ended and short-lived Mini Clubman.

But carmakers are slowly getting the message, and many recent face-lifts have been discreet. Rather than rely on surgery to boost flagging sales, they rely on more concrete changes, such as better engines, better quality or improved specifications. That is precisely the path that Renault has followed with its "new" — car-speak for revised — Laguna.

AN HONEST FAMILY CAR

The old Laguna, introduced in 1994, sold well and was always an honest, roomy, comfortable family car. It looked good, too, with its beak nose and swoopy style, which is why, when it came to a revamp, the stylists left the body more or less alone. The biggest visual change is the deeper front spoiler, with round fog lamps, which changes the face of the car without making it look like a motorized Michael Jackson. The lights are also new, although their shape is much the same.

It's under the hood that Renault has put in the effort. Renault engines are usually rubbish, and the old Laguna was no different with a range of groaning, vibratory four-cylinder motors and an undistinguished V6. Now, there are two new four-cylinders, a direct-injection diesel and the new V6, as tested here.

The V6 is a collaborative effort with its French rival Peugeot.

In V6 trim, the Laguna has more than sensible-shoes Mondeos, Vectras, Peugeot 406s and Passats in its sights. As well as humung sportier versions of its mass-market rivals, it is also gunning for performance stars such as BMWs, Audis and Mercedes-Benzes. Unlike many of its big-volume rivals, who are increasingly resigned to leaving the top-end market to the prestige names, Renault still has serious designs on rich people's money. "The French are renowned for their prestige goods," said the design boss, Anthony Grade. "I don't see why it should be any different for cars."

The revamped Laguna V6 can certainly compete on performance. Its V6 — at last there's some evidence that Renault can build more than just good Formula One engines! — is as fast as if it is melodious and yowls around to its maximum revs with a joyful verve. It helps make the Laguna as accelerative as the much pricier BMW 328i and is much brisker than the same-money BMW 318i, which has only four cylinders. A shame that the five-speed manual gearbox (an automatic is also available) is so bendy and imprecise.

The handling and ride are good, even if it doesn't drive with quite the precision of a BMW. The front-wheel drive is mostly to blame. Putting all that power and torque through the same wheels that also do the steering, invariably leads to some steering tug and loss of feel.

The Laguna is tolerably well made too, even if the quality of plastics are a little cheapskate for a car tilting at top-end Germans. And, being based on a normal family car, the Laguna V6 is roomy and its hatchback trunk is spacious and versatile.

In most markets, it is also good value. Renault knows it has to undercut and outperform BMWs and Audis and Mercedes-Benzes if it is going to get noticed in the performance-sedan market. With the latest V6 Laguna it has succeeded — without having to resort to the stylist's scalpel.

• **Renault Laguna V6.** About \$32,000. V6 engine, 2946cc, 194 bhp at 5,750 rpm. Front-wheel drive, five-speed manual transmission (four-speed automatic also available). Top speed: 235 kph (146 mph). Acceleration: 0-100 kph in 7.7 seconds. Average fuel consumption: 11.0 liters/100 km.

Next: Ford Focus

Gavin Green is the editor in chief of Car magazine.



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ARTS GUIDE

AUSTRIA

VIENNA
Kunsthau Wien, tel: (1) 712-04-95, open daily. To Jan. 31: "Peter Lindbergh: Images of Women." Lindbergh focuses on photography for international designers and fashion stylists. The 200 photographs gathered here document his work in fashion and advertising, but also include landscapes, nudes and still lifes.

OESTERREICHISCHE GALERIE Belvedere, tel: (1) 795-57, closed Mondays. To Nov. 22: "Carl Moll." Eighty paintings and graphic works by the Austrian painter (1881-1945), co-founder with Gustav Klimt and Josef Engelhart of the Vienna Secession, a group of architects and artists whose aims were to gain recognition for unconventional and for foreign artists.

BELGIUM

ARRWERS
Hessequibus, tel: (3) 206-0250, closed Mondays. Continuing To Oct. 11: "L'Art Non Conformiste d'Union Soviétique, 1958-1965." After Stalin's death in 1953, non-conformist, nonofficial artists were able to exhibit their works: surrealism, expressionism, photo-realism, and conceptual art flourished.

BRUGES
Memlingmuseum, tel: (50) 44-64, open daily. Continuing To Dec. 6: "From Memling to Poussin." Focuses on 15th- and 16th-century art in Bruges with paintings by Hans Memling, Gerard David and Pieter Poussin.

BRITAIN

LONDON
Barbican Art Gallery, tel: (171) 638-8891, open daily. To Dec. 13: "Native Nations: Journeys in American Photography." More than 500 19th-century photographs of Native American subjects that challenge the stereotype of the "red Indian." The second part of the exhibition focuses on the work of 18 Native American artists this century.

www.barbican.org.uk
British Museum, tel: (171) 323 8525, open daily. Continuing To Nov. 15: "Buddhist Arts of the Edo Period (1600-1868)." Buddhist sculpture, ritual implements, paintings and prints from the 17th to 19th centuries from the museum's collections.

www.british-museum.ac.uk
Estorick Collection of Modern Italian Art, tel: (171) 704-9522, closed Sundays and Mondays. To Dec. 13: "Balls and Futurist Italy: Paintings From the Galleria Nazionale d'Arte Moderna, Rome." More than 20 Futurist paintings that illustrate the ideology of the manifesto published in 1908: Aesthetic must be based on the dynamism of the city and the new machine age. Features works by three turn-of-the-century Italian artists: Giacomo Balla, Umberto Boccioni and Luigi Russolo.

National Gallery, tel: (171) 747-2885, open daily. Continuing To Oct. 11: "Venice Through Cana-

letto's Eyes." Venice's festivals and regattas in a small selection of paintings and drawings by the Italian painter (1697-1766).

www.nationalgallery.org.uk
Tate Gallery, tel: (171) 887-9000, open daily. Continuing To Nov. 1: "Moonlight and Firelight: Watercolors." From the Turner Bequest. Examines Turner's interest in depicting the hues of moonlight in 80 watercolors, prints, sketches and one oil painting.

www.tate.org.uk

Whitechapel, tel: (171) 522-7888, closed Mondays. To Nov. 22: "Speed." Brings together sculpture, painting, photography and video from 20th-century artists as diverse as Umberto Boccioni, Fernand Léger, Walter Sickert and Stéphane Hessel, as well as objects of design that reflect our obsession with time and movement.

CHINA

BEIJING
Forbidden City. To Sept. 13: Per-

formances of Puccini's "Turandot," conducted by Zubin Mehta. Sharon Sweet alternates in the title role with Giovanna Casolla and Audrey Stodel. Barbara Hendricks and Barbara Fritoli alternate as Liu.

FINLAND

HELSINKI
Museum of Finnish Art, tel: (0) 17-33-61, closed Mondays. Continuing To Oct. 18: "Mir Iskusstva: Russian Neo-Romanticism and the Finnish Golden Age." Works by Russian artists who belonged to the reform-oriented movement Mir Iskusstva in St. Petersburg in the 1890s.

FRANCE

PARIS
Foundation Dina Vierny-Musee Mallot, tel: 01-49-29-12-25, closed Tuesdays and holidays. Continuing To Sept. 30: "Diego Rivera — Frida Kahlo: Regards

Croises." Works by the Mexican muralist (1886-1957) and his wife (1910-1954). Sharon Sweet alternates in the title role with Giovanna Casolla and Audrey Stodel. Barbara Hendricks and Barbara Fritoli alternate as Liu.

ST. PAUL DE VENCE

Fondation Maeght, tel: 04-93-32-81-63, open daily. Continuing To Oct. 18: "Ottó Dix." A large selection of paintings, drawings, sketches and engravings by the German artist (1891-1969). The realistic World War I sketches and engravings precede the distorted paintings of life in the Weimar Republic.

GERMANY

BERLIN
Nationalgalerie, tel: (30) 266-2656, closed Mondays. To Nov. 1:

"Fontane und die Bildende Kunst." Documents the relationship the German journalist and critic Theodor Fontane (1819-1898) had with French and German 19th-century art. The exhibition brings together paintings, drawings and sculptures by Hogarth, Gainsborough, Turner and the Pre-Raphaelites, as well as works by Schinkel, Cornelius, Menzel and Liebermann.

DUISSELDORF

Kunstsammlung Nordrhein-Westfalen, tel: (211) 8381-0, closed Mondays. To Nov. 26: Max Ernst, Skulpturen, Hauser, Landschatten." Focuses on the links between the German artist's works and the places he lived, even shortly: Tyrol, Arizona, Long Island near New York, the banks of the Loire in France. The exhibition brings together chronologically more than 100 sculptures and approximately 15 paintings.

HONG KONG

Art Gallery, Chinese University, tel: (852) 2609-7418, closed public holidays. To Nov. 15: "The Sanbury Tang Collection of Masterworks by Ting Yin Yung." Ting Yin Yung (1902-1978) began his creative career with Western techniques in oil painting, but returned to the Chinese tradition of brush and ink.

ITALY

PADOVA
Galleria Civica, tel: (049) 820-4543, closed Mondays. To Sept. 27: "Frammenti di Mito." Approximately 200 fashion photographs dating to the early 1970s. Three photographers share the limelight: Claudio Mainardi, Fabio Santagulliani and Lello Zuppi.

VENICE

PALAZZO GRASSI, tel: (041) 522-9875, open daily. To May 16: "I Maya." One hundred items trace the development of the Mayan civilization in Central America and Mexico. The exhibition looks at their architecture, their way of life and the importance of maize, their religious beliefs and rituals, and their contribution to astronomy and mathematics.

www.palazzograssi.it

JAPAN

NAGOYA
Nagoya City Museum, tel: (52) 853-2855, closed Mondays and the fourth Tuesday of each month. To Oct. 11: "Buddha Exhibition." Items of Buddhist art illustrating its spread and evolution in Asia.

NARA

NARA NATIONAL MUSEUM, tel: (742) 227771, closed Mondays. To Oct. 4: "Kudara Kannon Statue." The personification of infinite compassion, the bodhisattva Kannon, meaning "the one who hears their cries," is a National Treasure. Usually kept in a temple in Nara, the statue is two meters high and made from a single block of camphor wood.

TOKYO

SATAGAYA ART MUSEUM, tel: (3)

3415-6011, closed 2d and 4th Mondays of the month. To Oct. 18: "James Turrell: Where Does the Light in our Dreams Come From?" Three site-specific works by the American artist (born 1943) explore visual perception and the use of light.

TOKYO FUJI ART MUSEUM, tel: (426) 97-4511, closed Mondays. To April 18, 1999: "A 4000-Year Art Expedition: From Ancient Egypt to Andy Warhol." An exhibition of 200 paintings, sculptures and photographs covering the Egyptian, Greek and Roman periods through the Renaissance and to the 20th century.

SINGAPORE

SINGAPORE HISTORY MUSEUM, tel: tel: 332-3659, closed Mondays. Continuing To Dec. 31: "House of Jade: The Au Boon Haw Collection." Features a selection of jade carvings from the Qing Dynasty (1644-1911) as well as jasper, quartz and agate ornaments.

SOUTH KOREA

SEOUL
Ho-Am Art Gallery, tel: (2) 750-7873, closed Mondays. Continuing To Oct. 11: "Treasures of the Late Choson Dynasty." Highlights traditional culture found in the 18th and 19th centuries, before Korea opened itself to Western influence. The show includes Buddhist and court arts, porcelains, painting and calligraphy.

www.hoamuseum.org

SPAIN

BILBAO
Guggenheim Museum Bilbao, tel: (34) 435-9000, closed Mondays. Continuing To Oct. 22: "Christ: 500 Anos." Approximately 500 items dating back to the Neolithic. Including jade pieces, funerary ceramics, Buddhist art and porcelains. The modern part of the exhibition features paintings from the middle of the 19th century to contemporary creations.

SWITZERLAND

WHITEHORN
Kunstmuseum, tel: (52) 267-5102, closed Mondays. To Nov. 15: "Drawing is Another Language." From a private collection, drawings by James John, Elizabeth Kelly, Sol LeWitt, Barnett Newman, Rauschenberg and Richard Serra.

www.palezzograssi.it

UNITED STATES

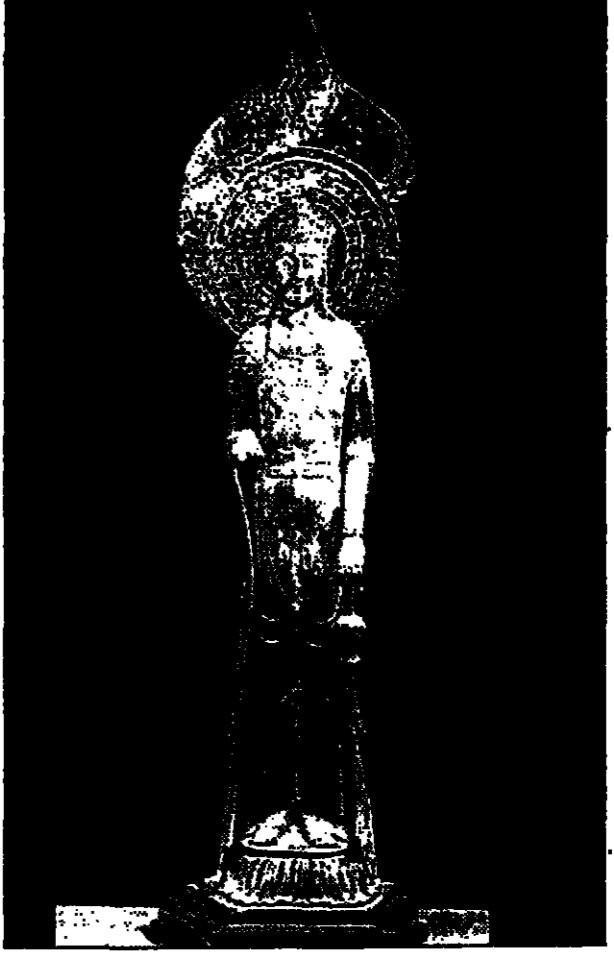
CHICAGO
Art Institute, tel: (312) 443-3600, open daily. To Nov. 22: "Ancient West Mexico: Art of the Unknown Past." West Mexico is now emerging as a rich archaeological area where complex societies evolved between 200 B.C. and 250 A.D. The terra-cotta sculptures found in tombs include human figures, animals, plants and models of architecture.

www.moma.org

SOLomon R. Guggenheim Museum, tel: (212) 423-3500, closed Thursdays. Continuing To Sept. 20: "The Art of the Motorcycle." The installation by Frank Gehry ranges from an 1894 Hildebrand and Wolfmuller to 1990s motorcycles.

HOUSTON

MUSEUM OF FINE ARTS, tel: (713) 639-7300, closed Mondays. To



In *Inara, Japan*: Statue of bodhisattva Kudara Kannon.

CLOSING SOON

AMERICAS
Sept. 13: "Modernism: The Art of Design, 1880-1940." Kimbell Art Museum, Fort Worth, Texas.

ASIA
Sept. 15: "Peruvian Gold." Nihonbashi Takashimaya Department Store, Tokyo.

Sept. 13: "The Origins of Modern Art in France, 1860-1938." Singapore Art Museum, Singapore.

EUROPE
Sept. 13: "Treasures From the Moscow Kremlin: Arsenal of the Russian Tsars." Royal Armouries, H M Tower of London.

Sept. 13: "Claude Lorrain: Drawings." Ashmolean Museum, Oxford, England.

Sept. 13: "Pierre-Joseph Redouté: Painter of Flowers." The Fitzwilliam Museum, Cambridge.

Sept. 13: "Beauté Moderne: Les Avant-Gardes Photographiques Tchèques." Hotel de Sully, Paris.

Sept. 13: "Tony Cragg." Palazzo Pubblico, Siena.

Sept. 13: "Corps à Vit: Art et Anatomie." Musée d'Art et d'Histoire, Geneva.

Sept. 13: "La Peinture Suisse entre Réalisme et Ideal, 1848-1906." Musée Rath, Geneva.

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Dollar Dips On Talk of U.S. Rate Cut

By Perri Colley McKinney
and Reto Gregori
Bloomberg News

LONDON — Need a place to put your money that is safe from daily swings in the yen and dollar, and immune to slumping stock markets? Don't bank on the Swiss franc.

As the Swiss currency rose to its highest level against the dollar in more than 10 months on Thursday, the central bank said it would not let international investor demand for Swiss francs derail the country's economic recovery. In Zurich trading, the dollar fell to 1.398 francs from 1.4158 francs.

The Swiss National Bank said it did not "appreciate the franc's strength" and countered by adding liquidity to drive money-market rates lower.

Three-month money market rates fell 3 basis points, or hundredths of a percentage point, to 1.60 percent and are down from 1.65 percent a month ago.

"Betting against the franc is like

playing with fire," said Ernst Zbinden at Bank Leu AG in Zurich. "The Swiss National Bank has always been successful when it wants a weaker franc," he said, citing the bank's willingness in February to drive money-market rates close to

offered a safe haven," said Tom Barnard of Rothschild Asset Management.

The problem for Switzerland is that the export account for about 40 percent of gross domestic product, and exporting is becoming increas-

sometimes produced price swings of 30 percent from one day to the next, a company spokesman, Hans-Caspar Ryser, said.

Is history repeating itself? Not yet, Mr. Ryser said.

"We are not terribly concerned yet," he said. "But if the dollar goes down, then 10, it might start hurting us."

To keep that from happening, as well as sustain its economic recovery, the Swiss central bank has kept the discount rate at which it lends to other banks at a 21-year low of 1 percent for two years. Central bankers have insisted for months that they will not raise rates anytime soon.

Switzerland's attempts to weaken its currency may prove futile, though, especially with a new controversy brewing: the possible resignation or impeachment of President Bill Clinton of the United States.

The lower money-market rates "won't put people off" from buying francs, said Brian Turner, a manager at Henderson Investors. "It's not going to change anything at all."

The currency's strength helped smother growth for the first six years of this decade as jobs were moved abroad.

zero to weaken the franc.

The franc has risen 10 percent against the dollar since early July, as the worsening recession in Asia and Russia's economic and political breakdown have prompted investors to sell assets perceived to be at risk from slowdown in global growth.

The worse the rest of the world looks, the better the Swiss franc looks. Switzerland typically runs a current-account surplus and it has had the same coalition government since 1959.

"There is enough uncertainty in the world that people are turning to the things that have traditionally

been most successful," said Tom Barnard of Rothschild Asset Management.

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Fears Eclipse French Banks' Profit Gains

Compiled by Our Staff from Dispatches

PARIS — Worries about emerging market crises overshadowed the good news Thursday as more French banks reported strong first-half results, but higher provisions against risks in Asia and Russia.

Banque Nationale de Paris reported a 25 percent increase in net profit, to 3.80 billion francs (\$651.9 million), for the first half but warned that second-half results were unlikely to keep up that pace.

BNP said it raised its provisions for Southeast Asian market risks by 1.9 billion francs, to 4.9 billion francs, in the first half. It said existing provisions for Russia should suffice to cover risks there. BNP's shares fell

32.20 francs to close at 337.80.

Credit Commercial de France reported strong growth in the first half, with a net profit of 1.12 billion francs against 801.5 million in the first half last year, and said it hoped for a "good performance in a more difficult context" in the second half.

Paribas said its net profit for the first half was 4.23 billion francs, up from 4.22 billion francs in the first half of last year. Its provisions for the first six months totaled 2.77 billion francs, of which 2 billion covered Asia and Russia. Paribas shares fell 34.50 to close at 420.

Societe Generale said late Wednesday that first-half profit rose 9.2

percent but warned of further erosion in Russia and other emerging markets. The bank more than doubled its provisions for possible losses on loans and other assets.

The French banks join a growing list of companies wounded by the financial turmoil in Asia and Russia. Banks have put aside money to safeguard against credit defaults, while other financial companies have had to mark down the value of securities and have recorded trading losses.

"Nobody has any idea how big the exposure is" for banks, said Jorgen Hundhausen of Ceros Vermögensverwaltung GmbH in Frankfurt. He said he was not buying European bank shares. (Reuters, Bloomberg)

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WORLD STOCK MARKETS

Thursday, Sept. 10

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September 10, 1998

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Japan's Rate Move Falls Flat in Markets

Effort to Save Banks Cannot Stop Slide

Agency France-Press

TOKYO — Japan's desperate effort to rescue banks here by pushing down interest rates cannot halt the slide of the world's second-biggest economy, analysts said Thursday.

The Bank of Japan decided Wednesday to guide the overnight call rate down to 0.25 percent, the first time it has eased credit for three years, saying it hoped to stop the country plunging into spiraling deflation.

It left Japan's official discount rate unchanged at a record low 0.5 percent.

The decision fell flat on the markets Thursday, however, with stocks barely higher and the yen struggling to recover from a heavy fall. The benchmark Nikkei 225-stock index closed down 89.51 points, or 0.6 percent, at 14,666.03 points. The dollar closed in Tokyo at 135.55 yen, up from 131.10.

The call rate is the rate at which banks lend to each other overnight, and can be led by the central bank which controls the flow of money into the market. Lowering the rate will cut banks' funding costs.

"It will not have a positive impact on the real economy. It cannot help to take Japan out of a deflationary spiral," said Susumu Kato, the chief economist at Barclays Capital in Tokyo. "It just keeps getting worse."

As Masaru Hayami, the

central bank chief, directly linked the move to Tokyo's efforts to keep afloat Long-Term Credit Bank of Japan Ltd., which virtually collapsed in June and was forced into a rescue merger with another bank.

Mr. Hayami told a parliamentary committee, "We carried out the credit easing as a step to cope with the LTCB issue at this time, in order to provide enough funds to the market."

Standard & Poor's Corp. on Thursday slashed its credit ratings for the Long-Term Credit Bank of Japan Ltd., saying the bank could be facing losses outrunning the 750 billion yen (\$5.5 billion) it has admitted.

Lawmakers in Parliament have hit a stalemate as they debate a series of financial bills designed to revamp the banks and finally tackle their suffocating bad loan crisis.

Japanese banks held at least 87.5 trillion yen in bad loans, built up during the lavish years of the bubble economy in the late 1980s.

Mr. Kato said, "It was a desperate measure. The banking crisis is worsening because of the delay in passing legislation."

Further delay could trigger an international collapse of equity markets. With no solution to the banking crisis, Japan cannot help the recovery of the global economy, not even the Asian economy."

Economists said that the Bank of



BUSTED — Tatsumi Nagatoshi, right, covering his face as he was taken to jail Thursday. The former director of NEC Corp. was charged in a military-procurement scandal involving NEC and Toyo Communication Equipment Co.

Japan's decision was a response to mounting pressure from the United States for an economic revival.

Last Friday, Finance Minister Kiichi Miyazawa was told to put the country's economic house in order after talks with the U.S. treasury secretary, Robert Rubin, and the Federal Reserve Board chairman, Alan Greenspan.

Obuchi Revamps Strategy

Prime Minister Keizo Obuchi outlined economic proposals Thursday to revitalize recession-hit industries and improve living standards for the average Japanese. The Associated

Press reported from Tokyo.

Mr. Obuchi unveiled the twin plans after a meeting of a special economic strategy task force which drafted the recommendations.

The centerpiece of the package is a proposal for doubling the amount of housing, working and recreation space within five years.

The recommendations also aim to increase the number of new jobs by 500,000 in the next two years and improve industrial productivity.

The recommendations are to be implemented through government spending and as yet unspecified deregulatory efforts, Mr. Obuchi said.

U.S. Slaps Korea Firms With Tariffs

Compiled by Our Staff From Distant

SEOUL — Two South Korean chipmakers on Thursday protested a U.S. ruling that they had been selling their products below cost, an illegal practice known as dumping.

LG Semicon Ltd. and Hyundai Electronics Co. said they would dispute the ruling in the U.S. Court of International Trade in New York and accused the U.S. Commerce Department of making errors in its pricing review.

On Wednesday, the Commerce Department imposed a 9.3 percent antidumping tariff on dynamic random-access memory chips from LG Semicon and a 3.95 percent duty on products from Hyundai Electronics.

LG Semicon and Hyundai soon

to merge to create the world's largest maker of DRAM chips, face penalties involving more than \$400 million in exports in 1996 and 1997.

It was the first time the two South Korean chipmakers were forced to pay a penalty on their shipments to the U.S. market. The leading South Korean DRAM maker, Samsung Electronics Co., was not subject to the penalty.

LG shares fell 3.8 percent to 10,200 won, but Hyundai rose 12 percent to 34,150 won.

"The dumping charges will worsen Korean chipmakers' earnings even further," said Yoon Sam Wi, an analyst at LG Securities Co. "Hyundai's stock price moved on futures-linked buying today. It will soon plunge into the abyss."

LG alleged errors in the U.S. calculations and said the U.S. government falsely based its ruling on LG products "unlawfully diverted to the U.S. market by third parties."

LG sells about \$200 million worth of chips in the United States annually. Hyundai's share of the U.S. market is worth about \$800 million.

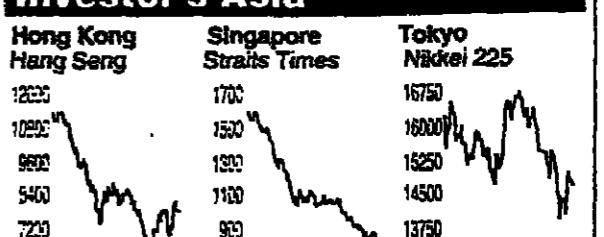
Hyundai called the U.S. ruling "unacceptable," but said it would not be seriously affected because 90 percent of the chips it sells in the United States now come from its new plant in Eugene, Oregon.

The two Korean firms have been cited for alleged dumping each year since 1993. Until this year, they had been cleared of the charge each time.

The Commerce Department began its investigation after Micron Technology Inc. of Boise, Idaho, and other U.S. chipmakers alleged dumping by their South Korean competitors.

(AP, Bloomberg)

Investor's Asia



Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong	Hang Seng	7,849.85	7,905.45	-0.70
Singapore	Strats Times	885.00	885.46	-0.51
Sydney	All Ordinaries	2,526.30	2,542.50	-0.64
Tokyo	Nikkei 225	14,686.03	14,755.94	-0.51
Kuala Lumpur Composite	380.20	389.65	-2.43	
Singapore	SET	218.91	213.98	+2.30
Singapore	Composite Index	338.95	329.22	+2.96
Taipei	Stock Market Index	6,803.88	6,894.57	-1.32
Manila	PSE	1,100.17	1,157.43	-4.55
Jakarta	Composite Index	327.27	325.76	+0.46
Wellington	NZSE-40	1,760.76	1,793.15	-1.81
Singapore	Sensitive Index	3,108.67	3,097.12	+0.37

Source: Telkoms

International Herald Tribune

Very briefly:

• Hong Kong will remain an ideal place for investments as long as China does not go into recession, said Brian Stevenson, chairman of the International Committee of the Hong Kong General Chamber of Commerce.

• Dickson Concepts (International) Ltd. signed an exclusive long-term license deal to produce and distribute Tommy Hilfiger Corp.'s leather goods and accessories in the United States and Canada. The Hong Kong retailer said it planned to invest up to \$30 million in the new venture.

• Softbank Corp. said it would establish a holding company on April 1, providing major tax advantages if Japan's Parliament on allows holding companies to minimize taxes by offsetting earnings at profitable subsidiaries against losses at others.

• NEC Corp. of Japan and Lucent Technologies Inc. of the United States agreed to a partnership to produce integrated circuit microchips.

• Australia's unemployment rate eased to a seasonally adjusted 8.1 percent in August, from 8.3 percent in July, according to official data that pointed to sustained resilience in the economy.

• The Kuala Lumpur Commodity Exchange Bhd. will merge Nov. 2 to form the Commodity & Monetary Exchange of Malaysia, or Comex. The new market will trade crude palm oil futures and interest rate futures to capitalize on lower costs and the inflow of ringgit expected back in the country from new to Oct. 1, following the capital controls imposed by the government on Sept. 1.

• Rio Tinto Ltd., a British-Australian mining company, said lower commodity prices helped push its first-half net profit down 7 percent, to \$551 million, and added that future growth would be hampered by a tough global climate.

• Indonesia expects to get as much as \$1.50 a share for a minority stake in PT Semen Gresik, a cement company, from Cemex SA of Mexico. On Thursday, Gresik's shares closed at 8,075 rupiah (66 cents). AP, Reuters, Bloomberg, AFP

2 Korean Banks Agree to Merge

The Associated Press

Compiled by Our Staff From Distant

SEOUL — Two large banks

have agreed to merge to create the second-largest commercial bank in South Korea, bank executives said Thursday.

Kookmin Bank and Korea Long-Term Credit Bank Co., two of the nation's top seven banks, plan to sign a memorandum of understanding Friday to merge on Jan. 4, bank officials said.

It will be the third merger of South Korean commercial banks this year. South Korea was forced in December to accept a \$60 billion rescue by the International Monetary Fund. In return, the nation is required to reform its industrial and financial sectors.

The creditors also decided to wipe off another 2.77 trillion won by rescheduling debts of Kia and its truckmaking subsidiary, Asia Motors Corp., and by lowering their interest rates, the Korea Development Bank said.

In addition, creditors confirmed

that another 2.16 trillion won of debts owed by Kia's subsidiaries but guaranteed by Kia would also be eliminated.

The write-offs were announced as the deadline for the submission of bids in a second auction of Kia and Asia Motors expired.

The second round was called after the first attempt was aborted on Sept. 1 when all four bidders demanded debt write-offs, a request creditors at first said was unacceptable.

Ford and three South Korean automakers — Samsung Motors Inc., Hyundai Motor Co. and Daewoo Motor Co. — resubmitted letters of intent to take part in the new auction, a Kia Motors spokesman said. The winner is to be announced Sept. 28. (AP, AP)

Kia Gets New Takeover Bids After Deal to Reduce Its Debt

Compiled by Our Staff From Distant

SEOUL — Creditors offered

Thursday to write off around two-thirds of Kia Motors Co.'s 11.8 trillion won (\$8.67 billion) debt, as Ford Motor Co. and three South Korean automakers renewed their bids to buy the bankrupt company.

"We have decided to write off 2.9 trillion won of principal debt," said Park Sang Bae, senior executive from Kia's chief creditor, the Korea Development Bank.

The creditors also decided to

wipe off another 2.77 trillion won by rescheduling debts of Kia and its truckmaking subsidiary, Asia Motors Corp., and by lowering their interest rates, the Korea Development Bank said.

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Citibank Targets Japan's Wealthy

Bloomberg News

TOKYO — Citibank NA, the lender that introduced private banking to Japan in 1986, said Thursday it was increasing its private-banking staff in Japan as the idea of providing special services to wealthier customers has begun catching on.

Citibank, whose private bankers target customers with at least 300 million yen (\$2.3 million) in assets, has stepped up advertising this year and doubled the number of its customers, to a "few thousand," a spokesman said. The division will add 30 employees by the end of the year and an additional 100 next year, bringing its total to 300. Branches will be added in Osaka and Nagoya.

(AP, Bloomberg)

LORAL: 12 Satellites Are Lost

Continued from Page 1

The launch failure sent the share price of Globalstar, a \$2.7 billion venture, plunging more than 38 percent in late New York trading and the price of Loral Space & Communications Ltd., which has a

42 percent stake in Globalstar, down more than 30 percent. Globalstar said the loss would delay the start of its service by about six months, until the end of 1999, and force it to start operations with a reduced fleet of 32 satellites, rather than 48, which could limit service.

It also indicated it was likely to shift to smaller rockers, like the Russian Soyuz or the Boeing Co. Delta II, which can carry four satellites.

Globalstar's attempt to catch up with Iridium by launching a dozen satellites in a single shot was "a calculated risk, and they lost," said Jeremy Rose of Communication Systems Ltd., a satellite consultancy in St. Albans, England.

Globalstar and other satellite operators say their business plans incorporate the possibility of losses because of the risks inherent in rocket launches. But any delay is financially punishing because the networks require billions of dollars of investment in satellites, ground communications stations and telephone handsets before any revenues flow in.

In addition, the demand for satellite services remains unproven. Although the companies insist that they need only a fraction of the global market for mobile telephony, some analysts wonder how many people will be willing to spend \$3,000 for an Iridium phone and then pay \$4 to \$7 a minute for calls.

Financial markets demonstrated those pressures Thursday as investors dumped stocks and bonds of Globalstar, Iridium and ICO Global Communications, a consortium of international telephone operators that plans its own system.

Globalstar shares plunged \$6.125 to \$10.75, while shares in Loral fell \$5.3125 to \$12.75.

Globalstar's 11.375 percent bonds due 2004 fell about 15 points, or \$150 for each \$1,000 face amount, to 65. They yielded almost 23 percent, compared with just over 5 percent of U.S. Treasury bonds.

Those declines will make it difficult for companies to fill any financing gap before their service comes on stream.

After Iridium announced it would delay starting service until Nov. 1, the Standard & Poor's Corp. rating agency said that any further delay could threaten the company's \$1 billion bank line of credit. Iridium shares fell 25 cents to \$34.25 Thursday, less than half their high of \$70.6875 in May.

An initial public offering by ICO flopped last month, raising only \$120 million compared with an original goal of \$380 million. Orbcomm Global LP, a U.S.-based group that has launched a more modest satellite system for radio paging rather than telephony, postponed a planned offering in July.

Despite the setback, an impressive number of leading technology companies continue to believe in a big market for satellite-based networks. They

WORLD ROUNDUP

Is Arsenal Next?

SOCCER First Manchester United, now Arsenal. Maybe. One day after United's board accepted a record \$1 billion bid from Rupert Murdoch's British Sky Broadcasting Ltd., the Arsenal soccer club said it was considering a possible buyout by another television broadcaster.

In a joint statement, Arsenal and Carlton Communications PLC, Britain's largest nonsatellite TV concern, said they were holding "very preliminary discussions" on ways of working together.

"These talks are too preliminary in nature to assess the probability of any outcome," the statement said. "One possible outcome could be an offer being made by Carlton for Arsenal."

(AP)

League Stars Honored

SOCCER Alan Shearer of Newcastle United and Les Ferdinand of Tottenham Hotspur were the only English players among the six stars named Thursday as original members of the Premier League Hall of Fame.

The French star Eric Cantona, formerly of Manchester United, led the international quartet, which also included his former United teammate, the Danish goalkeeper Peter Schmeichel. The Italian striker Gianfranco Zola of Chelsea and the Dutch striker Dennis Bergkamp of Arsenal also were honored.

The selection panel, which included Geoff Hurst and Bobby Charlton, members of England's 1966 World Cup championship team, picked one player from each of the six years since the Premier League was created in 1992.

The Hall of Fame is scheduled to open in March. The six players selected by the panel as inaugural members are to be joined by six players selected by the public in a telephone poll.

Redskins on the Block

FOOTBALL The Washington Redskins are officially for sale.

Jack Kent Cooke's estate announced Wednesday that was accepting bids for the late millionaire's franchise and the year-old, \$0.116-seat stadium named for him.

The Wall Street firm Morgan Stanley Dean Witter, which is handling the sale for the estate, made the announcement one day after the expansion Cleveland Browns cost their new owner, Alfred Lerner, \$530 million — the most ever paid for an American sports franchise.

About \$34 million of that amount will go toward a publicly-built stadium in central Cleveland.

The estate waited for the Cleveland transaction because it wanted to use the selling price for the Browns as a measure of what an NFL franchise is worth.

Sources said the trustees administering Cooke's estate believe the Redskins franchise, without the stadium, should sell for a price equal to, or higher than that paid for the Browns.

(WP)

Yankees Beat Boston And Win the AL East

Clinching Is N.Y.'s First on the Road Since '78

By Buster Olney
New York Times Service

BOSTON — Ball in hand, the catcher Jorge Posada waited on the mound for Rivera to jog in from the bullpen. With the Yankees three outs from a division title, the visitors' dugout was overflowing with visitors poised to run on the field and celebrate a summer of excellence.

"Let's finish this," Posada said to Rivera, pounding the ball into the pitcher's glove. "Let's do this right now."

And when John Valentin grounded

AL ROUNDUP

out to complete the Yankees' 7-5 victory over the Red Sox on Wednesday night, first baseman Tito Martinez thrust an arm into the air and the Yankees celebrated, more than they probably thought they would, after running away with the American League East.

The last time the Yankees clinched a division championship on the road, on Oct. 2, 1978, a light hitting named Bucky Dent played shortstop. Dent lofted a three-run homer here in the one-game playoff that day, and the Yankees went crazy, wildly shouting in the eerie silence of Fenway Park, at the end of a memorable race. This was not quite so suspenseful.

The Yankees are 102-41 and lead the Red Sox by 20½ games, matching the biggest lead in club history, set in 1941. The Yankees clinched on the earliest date in their history since the advent of division play in 1969. The '41 Yankees clinched the American League pennant on Sept. 4.

"This is our goal; we wanted to win the AL East," shortstop Derek Jeter said.

"We can celebrate for a day, but now our goal is to win the World Series."

Said Joe Torre, the Yankees' manager: "Everybody realizes you can only get just so excited with this. But we can take a day and enjoy this."

The Yankees lost their first three games of the season, prompting an intense team meeting in Seattle before a game against the Mariners April 7. The Yankees won that night and won 21 of the 23 games that followed, launching themselves into the record books. In winning their seventh East Division title, the Yankees are on a pace to win 116 games and match the major league single-season record for victories.

Their inevitable clinching celebration nearly was postponed another night, even after they took a big early lead.

The Yankees exploded against Tim Wakefield, Boston's knuckleballing starting pitcher. Jeter bashed a 418-foot (127-meter) home run to center in the first inning, and two innings later he slugged another, to about the same spot but not quite as far. The Yankees added three more runs in the fourth inning, making their lead 5-0.

But the New York pitcher, Orlando Hernandez, started picking at the corners and walked a couple of hitters, and suddenly Scott Hatteberg ripped a monstrous grand slam, cutting the lead to 5-4.

Paul O'Neill blasted home runs in the fifth and eighth innings, however, and

Posada found himself waiting on the mound for Rivera.

In other games, *The Associated Press* reported:

Rangers 8, Royals 0 Aaron Sele (18-10) won his fifth straight start and Lee Stevens hit a three-run homer as host Texas won its third straight. The Rangers, 8-3 against Kansas City this year, had 14 hits, including a season-high seven doubles.

Sele allowed five hits in seven innings, walked one and struck out seven, five of them looking.

Pat Rapp (11-12) lasted just 2½ innings, his shortest outing since April 25.

Orioles 6, Athletics 2 in Oakland, Roberto Alomar hit a three-run homer and Brady Anderson hit a solo shot as Baltimore won its second straight following a 3-7 stretch.

Juan Guzman (10-14) allowed both runs and six hits in five innings, and Jimmy Key, Alan Mills and Jesse Orosco followed and combined on one-hit relief.

A's starter Jimmy Haynes (10-8) gave up all six runs — four earned — and eight hits in 5 2-3 innings.

Mariners 5, Devil Rays 2 in Seattle, Paul Abbott (10-0) won his first start in five years and Ryan Radmanovich hit his first major league home run.

Abbot (1-0), allowed two runs and six hits in 5 2-3 innings. Mike Timlin got three outs for his 14th save.

Tigers 8, White Sox 6 Luis Gonzalez hit a two-run triple in a five-run second inning, stopping host Chicago's four-game winning streak.

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The Yankees exploded against Tim Wakefield, Boston's knuckleballing starting pitcher. Jeter bashed a 418-foot (127-meter) home run to center in the first inning, and two innings later he slugged another, to about the same spot but not quite as far. The Yankees added three more runs in the fourth inning, making their lead 5-0.

But the New York pitcher, Orlando Hernandez, started picking at the corners and walked a couple of hitters, and suddenly Scott Hatteberg ripped a monstrous grand slam, cutting the lead to 5-4.

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POSTCARD

Furor Over Anne Frank

By Ralph Blumenthal
New York Times Service

NEW YORK — More than 50 years after they were written in a secret refuge from the Nazis, long-suppressed pages from the diary of Anne Frank have given her story a new twist and set off a furor over exploitation of one of history's top best-sellers, only recently republished in a supposedly "definitive" edition.

In the newfound entries — actually five pages of diary revisions censored by Anne's father, Otto Frank — Anne picks apart her parents' strained marriage, analyzes her own difficult relations with her mother, Edith, and vows to keep the diary out of her family's hands as "none of their business."

"For a woman in love it cannot be easy to know that she will never occupy the first place in her husband's heart, and mother knew," Anne says. "Father appreciates mother and loves her, but not with the kind of love that I envisage for a marriage."

As for her diary — which became one of the world's best-known books, published in 56 languages — Anne says, "I shall also take care that nobody can lay hands on it."

The pages augmenting the diary were given last year to Melissa Müller, an Austrian journalist researching the first biography of the Jewish girl in Amsterdam who put an indelible human face on the Holocaust.

But in another peculiar twist, Müller, 31, is now seeing her new book, "Anne Frank: The Biography" (Metropolitan Books), come out with paraphrases and selected quotes from the unpublished material while plans are being advanced for updated editions of the diary to contain the new material in full.

In a measure of how intense the maneuvering has become, an Amsterdam paper, Het Parool, published the disputed segments last month and posted them on its Web page on the Internet.

"For me this is terrible," Müller said in a series of telephone interviews amid a crossfire of recriminations. At issue are diary revisions written by Anne as she and her family hid from the Germans over Otto Frank's warehouse.

The missing entries, which were hinted at in a scholarly version of Anne's diary published in 1986, were supplied to Müller by Cornelis Suijk, international director of the Anne Frank Center USA in Manhattan and an intimate of Otto Frank. Suijk, a 74-year-old economist and Dutch government auditor with 33 years of affiliations with Anne Frank organizations in Amsterdam and the United States, said Frank had given him the pages shortly before his death at 91 in 1980, during a German police inquiry aimed at authenticating the diary in the face of neo-Nazi claims it was a forgery.

By Suijk's account, Frank wanted to be able to say honestly that he no longer had any diary material in his possession, without revealing anything potentially embarrassing to him or his second wife, Fritzi, whom he had married in 1953.

"We knew that something was missing but we had no idea who had it," said Bernd Elias, Anne's cousin and last living relative and chairman of the Anne Frank Fonds, or foundation, in Basel, Switzerland, which holds the copyright on the diary and receives the revenue from publication.

The pages themselves are being claimed by the Netherlands State Institute for War Documentation, to which Otto Frank bequeathed custody of the diary. It has asked Suijk to turn them over, but he is claiming a one-time publication right of his own under Swiss law. He has also sought a sponsor to buy the pages to raise money for his Anne Frank Center in New York.

Elias said it was "absolutely illegal" for Suijk to have given the pages to Müller. Suijk, in turn, faulted the foundation for amassing what he said was at least \$20 million in royalties from the diary without properly sharing them with Anne Frank causes around the world, including his center, which runs education programs on the Holocaust.

Müller said the Swiss foundation was initially enthusiastic about her findings and only withdrew support after she declined to submit her manuscript for review. Her biography also includes new information that for the first time points a strong finger of suspicion at a cleaning woman, Lena van Bladeren Hartog, now dead, who may have tipped off the Germans to the Jewish families in hiding.

Müller said she learned in June that she would not be given permission to quote the new material in her book, a decision she attributed to commercial considerations and to a misguided effort to protect Otto Frank. "It's not terrible that a 36-year-old man may have had an earlier love," she said. Besides, she added, "I don't care what their marriage was like. I care about the relationship of mother and daughter."

We knew something was missing but we had no idea who had it.

At Auction, the Secret Life of Dora Maar

By Alan Riding
New York Times Service

PARIS — Pablo Picasso's reputation for wrecking the lives of the women who loved him was in no small measure shaped by the way he treated Dora Maar, the Surrealist photographer who was his mistress and muse for nine years until he dropped her for the younger Francoise Gilot in 1944.

The fact that he used her as the model for his "Weeping Woman" portraits only added to her aura of tragedy. He even persuaded himself that she was the weeping woman. "I could never see her, never imagine her, except crying," he once remarked.

For her part, in the decades that followed their separation, Maar embraced to the full her role of jilted paramour. She suffered frequent bouts of depression, spoke bitterly of Picasso's cruelty, turned to religion and in the end became a recluse.

Yet she never broke free from Picasso. She turned her Left Bank apartment into a shrine to their affair, filled with relics in the shape of paintings, drawings, books, photographs, sculptures, jewelry and tiny carvings that he made for her. It was, she told friends, her "private museum."

By the time she died in a Paris hospital on July 16, 1997, at the age of 89, she had become a long-forgotten footnote in the life of a great artist who had himself died 24 years earlier. It was 10 days before *Le Monde* even discovered and announced her demise. Many who knew her place in Picasso's biography were surprised she had lived so long. Only a handful of friends attended her funeral.

Yet if overlooked in the second half of her life, Maar has awakened great interest in death because she left one of the last important Picasso collections still in private hands outside the artist's immediate family. Its 10 paintings, which were catalogued in the late 1940s, include seven portraits of Maar, including one of four known oils of her "Weeping Woman." The drawings are also mainly portraits of Maar, including the passionately erotic, large colored work "Dora Maar and the Minotaur." Scores of anecdotal objects, like tiny portraits carved on pebbles or painted on tiny medallions, make the collection even more unusual and personal. Taken together, the works assume an almost anthropological character.

While breaking no new ground on Picasso the artist, they do throw fresh light on Picasso the man. Even as he continued to see an



Dora Maar with one of her own works, which she painted sometime in the 1950s.

earlier mistress, Marie-Therese Walter, he was announcing his love for Maar through his art. Paintings like "Dora on a Beach" where her hair blows wildly in the wind, and drawings like "Portrait of Dora Maar Asleep" show a warmth and tenderness toward the beautiful dark-eyed photographer that bear no resemblance to how he chose to remember her years later.

Of course, after Maar's death, the sentimental question that really interested the art world was what would become of the collection. The answer was unclear. Born Theodora Markovitch in Tours in 1907, Maar never married, had no children or apparent heirs and left no will. If no heirs could be traced, everything she owned would revert to the French government.

In France, however, genealogists make a business of finding heirs when no one comes

forward to claim a legacy. Their cut varies from 15 percent to 40 percent of the value of the estate, depending on the family relationship and the sum of money involved. But without them, the heirs would get nothing and the government would get all.

In the case of Maar, whose mother was French and whose father, a Paris-based architect, was from the Balkan region that later became Yugoslavia, two genealogists each found a distant relative, one in France and one in the former Yugoslavia. Neither heir has been identified, but their claims have been sufficiently proved before notaries to permit the selection of two French auction houses, Piasa and Jean-Jacques Mathias, to oversee the sale of Maar's entire estate this fall.

"The Picassos of Dora Maar" auction is to be held in the Maison de la Chimie in Paris on Oct. 27, 28 and 29, with the most valuable

part of the 143-lot collection — the 10 paintings and 50 drawings — to be offered Oct. 27. Some 58 items from this collection will be exhibited in New York at the Phillips Fine Art Auctioneers and Appraisers on Sept. 26, 27 and 28. Three subsequent auctions at the Hotel Drouot in Paris on Nov. 20 and 26 and Dec. 7 will handle Maar's own photographs, drawings, paintings and furniture.

The Picasso works alone are expected to fetch more than \$25 million, although 60 percent will go to the French government in death duty before the genealogists take their share, which in this case is expected to be 35 percent to 40 percent.

"She was not rich, but she sold nothing," said Lucien Solanet, a partner in Piasa. "That's why we have everything. If we were selling 10 paintings, it would not be the same as selling an entire slice of life between 1936 and 1945. It's like a time capsule."

Last October, Francois Lenoir, an expert hired to appraise the collection, was the first group to visit Maar's apartment at 6 Rue de Savoie since her death. Picasso's paintings and drawings had been removed to a bank vault for safekeeping before the apartment was sealed in July 1997, but nothing else had been touched.

"Only her body had been taken out," he recalled, "but everything was there, a frying pan, her slippers, her medicine. She had many religious objects, like prayer books and crosses. There were lots of empty suitcases. In her studio, there were cans of paint, brushes and canvases. Her own paintings were still there. There was a cupboard full of books and photographs. It looked like a very crowded workplace."

The Picasso collection has now been organized: The paintings and drawings, which had been kept in large folders, have been framed and in many cases given names ("Head of a Woman," for example, has become "Dora Maar With Green Fingernails"); and all the scraps of paper, stones, bones, cheap rings, bits of wood and the like that Picasso turned into art have been photographed and classified. Seen together during a recent visit to Piasa's office and a nearby bank vault, the collection has the coherence of a tightly wrapped memory.

"What's important to me is that no matter the quality of the piece, you feel the emotion in the work," said Marc Blondeau, an art broker in Paris who was hired as a consultant by the two French auction houses. "They're full of feeling, full of life."

PEOPLE

IN a Hollywood-style finish, the "Free Willy" star, Keiko, returned home to the waters of Iceland on Thursday after 19 years in captivity and a brief career as a movie star. "He's fine. It was an absolutely smooth trip. The staff is euphoric!" said Diane Hammond, spokeswoman for the Free Willy Keiko Foundation, which owns the whale and is orchestrating his homecoming. A specially equipped Air Force C-17 carrying the world's most famous killer whale touched down at Heimaey airport at about 9:57 A.M. after an eight-hour flight from Oregon. Keiko's container was loaded onto a flatbed truck bearing a "Welcome Home Willy" banner. The truck began a slow journey three miles across town to the waterfront, where the killer whale was to be loaded onto a barge and taken to an open pen in a protected cove. In his pen, Keiko will be reintroduced to the sights and sounds of his native waters. The goal is to set him free — if handlers think he's ready.

□

A woman who says she co-wrote the hit Broadway musical "Rent" with Jonathan Larson has settled her lawsuit against his estate for an undisclosed amount of money and credit on the playbill's title page. Lynn Thomson claimed she had written the play with Larson, who died from an aortic aneurysm on Jan. 25, 1996, the day the show was to open in previews off-Broadway. She had filed two lawsuits.

□

Tommy Lee, convicted of spousal abuse for kicking his

wife, Pamela Anderson Lee, has been released from jail early for good behavior after serving less than four months of a six-month sentence. The Motley Crue drummer will be on probation for three years. He must donate \$5,000 to a shelter for battered women, avoid drugs and alcohol, stay at least 100 yards away from his wife, attend anger-management classes and undergo random drug tests.

□

For the next two weeks, the Champs-Elysees in Paris is playing host to an air show, which was being inaugurated Thursday by President Jacques Chirac. Lined up on both sides of the avenue, about 50 "flying machines" shipped in at a cost of 10 million francs (\$1.7 million) are on view until Sept. 27 to celebrate a century of aviation history. "Champs d'Aviation" focuses on the conquest of the air and of space.

□

With a host of Hollywood stars and a slate heavy with offbeat, independent films, the 23rd Toronto International Film Festival was set to kick off on Thursday. A shortage of hotel rooms and a strike by Air Canada pilots plagued organizers, however, as they prepared to screen 311 films from 53 countries. This year the festival will feature Tom Cruise, Neve Campbell, Ben Stiller and Meryl Streep. At the same time, much of the festival's lineup will consist of offbeat and independent fare, including 83 films by first-time directors.



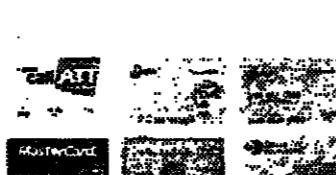
FLYING LOW — Eun Young Lee helping Thursday to hang 1,000 blossoms of silk paper created by Sanghi Lee of South Korea for an exhibition in Hamburg of "Paper Art" by 62 artists from around the world.

(go down in history)

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